Lyxor Quantitative Fund

Société d'investissement à capital variable

Luxembourg

Prospectus

June 2015

This prospectus (the "**Prospectus**") is valid only if it is accompanied by the latest available annual report and, where applicable, by the non-audited semi-annual report, if published since the last annual report. These reports form an integral part of this Prospectus.

In addition to this Prospectus, the Company has also adopted a Key Investor Information Document (the "**KIID**") per class of shares for each Sub-Fund which contains the key information about each class of shares of the Company.

VISA 2015/100058-4272-0-PC
L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2015-07-30
Commission de Surveillance du Secteur Financier

Lyxor Quantitative Fund
Société d'investissement à capital variable
Registered Office:
28-32 Place de la Gare, L-1616 Luxembourg
RCS Luxembourg B 116 875

Summary

OFFER FOR SHARES

This is an offer to subscribe for separate classes of shares (the "**Shares**") issued without par value in Lyxor Quantitative Fund (the "**Company**"), each Share being linked to one sub-fund of the Company (the "**Sub-Fund(s)**"), as specified below.

The Shares in each of the Sub-Funds may be divided into classes (the "**Classes**").

For further information about the rights attaching to the various Classes of Shares, see paragraph "Classes of Shares".

Unless otherwise mentioned in the Appendix dedicated to each Sub-Fund, the Shares will not be listed on the Luxembourg Stock Exchange.

IMPORTANT INFORMATION

If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, attorney, accountant or other financial advisor. No person is authorised to give any information other than that contained in this Prospectus and in the KIID relating to the relevant Class of each Sub-Fund, or any of the documents referred to herein that are available for public inspection at 28-32, Place de la Gare, L-1616 Luxembourg.

- The Company is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment in transferable securities under the form of an investment company with variable share capital ("SICAV"). However, such registration does not imply a positive assessment by the supervisory authority of the contents of this Prospectus or any KIID or of the quality of the Shares offered for sale. Any representation to the contrary is unauthorised and unlawful.

- This Prospectus does not constitute an offer to anyone or solicitation by anyone in any jurisdiction in which such an offer or solicitation is unlawful or in which the person making such an offer or solicitation is not qualified to do so.

- Any information given by any person not mentioned in this Prospectus should be regarded as unauthorised. The Board of Directors has taken the precautions that the information contained in this Prospectus is accurate at the date of its publication and accepts responsibility accordingly. To reflect material changes, this Prospectus may be updated from time to time and potential subscribers should enquire from the Company as to the issue of any later Prospectus and KIIDs.

- The distribution of this Prospectus, of the KIIDs and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any person in possession of this Prospectus and of the KIIDs and any person wishing to subscribe for Shares pursuant to this Prospectus and the KIIDs to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Potential subscribers or purchasers of Shares should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, conversion or sale of Shares.

TARGETED INVESTORS

The profile of the typical investor per each Sub-Fund is described in each Appendix annexed to the present Prospectus.

DISTRIBUTION AND SELLING RESTRICTIONS

At the date of this Prospectus, the Company has been authorised for offering in Luxembourg. The Company or specific Sub-Fund(s) may be subsequently authorised for distribution in other jurisdictions. However, no procedure has been undertaken to enable the offer of the Shares or the distribution of this Prospectus or any KIID in any other jurisdictions whose legislation or regulations in force would require such procedure. As a result, this Prospectus cannot be distributed for the purpose of offering or canvassing the Shares in any jurisdiction or in any circumstances where such offering or canvassing is not authorised.

No persons receiving a copy of this Prospectus and of the KIIDs in any jurisdiction may treat this Prospectus and the KIIDs as constituting an invitation to them to subscribe for Shares unless in the relevant jurisdiction such an invitation could lawfully be made without compliance with any registration or other legal requirements.

Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or the securities laws of any of the States of the United States. Shares may not be offered, sold or delivered directly or indirectly in the United States, or to or for the account or benefit of any "**US Person**". Any re-offer or resale of any Shares in the United States of America or to US Persons may constitute a violation of US law. The Company will not be registered under the United States Investment Company Act of 1940, as amended. Applicants for Shares will be required to certify that they are not US Persons. All Shareholders are required to notify the Company of any change in their status as non-US Person.

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, 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 entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with such Luxembourg IGA, once the IGA has been implemented into Luxembourg law in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the 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 ("**reportable accounts**"). Any such information on reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic 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 with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its Share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the IGA places upon it. As from the date of signature of the IGA and until the Grand Duchy of Luxembourg has implemented the national procedure necessary for the entry into force of the IGA, the United States Department of the Treasury will treat the Company as complying with and not subject to the FATCA Withholding.

To ensure the Company's compliance with FATCA and the IGA in accordance with the foregoing, the Company may:

a. request information or documentation, including W-8 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;

b. report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a US reportable account under the IGA;

c. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA and the IGA; and

d. divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

RELIANCE ON THIS PROSPECTUS AND ON THE KIIDS

Shares in any Sub-Fund described in this Prospectus as well as in the relevant KIIDs are offered only on the basis of the information contained therein and (if applicable) any addendum hereto and the latest audited annual report and any subsequent semi-annual report of the Company. Any further information or representations given or made by any distributor, intermediary (the **"Intermediary"** defined as any sales agent, servicing agent and/or nominee, distributor, appointed to offer and sell the Shares to the investors and handle the subscription redemption, conversion or transfer request of Shareholders), dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus and (if applicable) any addendum hereto and in any subsequent semi-annual or annual report and, if given or made, such information or representations must not be relied on as having been authorised by the Directors, the Management Company, the Investment Manager, the Custodian Bank, the Registrar Agent or the Administrative Agent. Statements in this Prospectus and the KIIDs are based on the law and practice currently in force in Luxembourg at the date hereof and are subject to change. Neither the delivery of this Prospectus or of the KIIDs nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date hereof.

Prospective investors may obtain, free of charge, on request, a copy of this Prospectus and of the KIID(s) relating to the Class(es) of the Sub-Fund(s) in which they invest, the annual and semi-annual financial reports of the Company and the Articles of Incorporation at the registered office of the Company or the Custodian Bank.

INVESTMENT RISKS

The Company does not represent an obligation of, nor is it guaranteed by, the Management Company, the Investment Manager or any other affiliate or subsidiary of Société Générale S.A.

Investment in an Investment Company with Variable Capital such as the Company carries with it a degree of risk including, but not limited to, the risks referred to below.

The following is a general discussion of a number of risks which may affect the value of the Shares. See also the section of the relevant Appendix headed "Risk Warning" (if any) for a discussion of additional risks particular to a specific issue of Shares of each Sub-Fund. What factors will be of relevance to a particular Sub-Fund will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares and the Sub-Fund's investment policy. Potential investors should review this Prospectus in its entirety, and consult with their professional advisors, before making an application for Shares in any Sub-Fund.

Changes in rates of currency exchange between the value of the currency of an investor's domicile and of the currency of the Shares may cause the value of Shares to go up or down in terms of the currency of an investor's domicile. In addition, the levels and bases of, and tax relief, from taxation to which both the Company and Shareholders may be subject, may change.

Investment in any Sub-Fund carries with it a degree of financial risk, which may vary among Sub-Funds. The value of Shares and the return generated from them may go up or down, and investors may not recover the amount initially invested.

Market Risk
The value of investments of the Company may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Equity Risk
Sub-Funds investing in common stocks and other equity securities are subject to market risk that historically has resulted in greater price volatility than that experienced by bonds and other fixed income securities.

Interest Rate Risk
A Sub-Fund that invests in bonds and other fixed income securities may decline in value if interest rates change. In general, the prices of debt securities rise when interest rates fall, and fall when interest rates rise. Longer term bonds are usually more dependent on interest rate changes.

Credit Risk
A Sub-Fund that invests in bonds and other fixed income securities, is subject to the risk that some issuers may not make payments on such securities. Furthermore, an issuer may suffer adverse changes in its financial condition that could lower the credit quality or a security, leading to greater volatility in the price of the security and in the value of the Sub-Fund. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.

A Sub-Fund that invests in lower quality debt securities is more susceptible to these problems and its value may be more volatile.

Currency Risk
Because the assets and liabilities of a Sub-Fund may be denominated in currencies different from the Reference Currency, the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such Reference Currency and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's Shares, and also may affect the value of dividends and interests earned by a Sub-Fund and gains and losses realised by a Sub-Fund. The exchange rates between the Reference Currency and other currencies are determined by supply and demand in the currency exchange markets, the international balances of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the Reference Currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security. The risk of such declines is more pronounced with currencies of developing countries.

To the extent that a Sub-Fund seeks to use any techniques or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in any Sub-Fund's investment policy, there is no requirement that any Sub-Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction.

Financial Derivative Instruments
A Sub-Fund's use of financial derivative instruments such as futures, options, warrants, forwards, swaps and swaptions involves increased risks. A Sub-Fund's ability to use such instruments successfully depends on its Investment Manager's (or any sub-investment manager's ability as the case may be) to accurately anticipate movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Investment Manager's predictions are wrong, or if the financial derivative instruments do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used such instruments.

In some instances, the use of the above mentioned instruments may have the effect of leveraging the Sub-Fund. Leveraging adds increased risks because losses may be multiples of the amount invested via such instruments. These instruments are highly volatile and their market values may be subject to wide fluctuations.

Investment in Structured Notes
The primary risks affecting the Sub-Funds investing in Structured Notes are "Credit Risk," "Interest Rate Risk" and "Liquidity Risk."

Credit risk is much more present than in other fixed income products as Structured Notes are generally linked to the credit risk of a portfolio of underlying issuers.

Credit Risk
This risk refers to the like hood that the Sub-Fund could lose money if an issuer is unable to meet its financial obligations, such as the payment of principal and/or interest on an instrument, or goes bankrupt. Certain

Sub-Funds may invest a portion of their assets in Structured Notes which are not guaranteed by any Government of the OECD, which may make such Sub-Funds subject to substantial credit risk. This is especially true during periods of economic uncertainty or during economic downturns.

Interest Rate Risk

This risk refers to the possibility that the value of a Sub-Fund's portfolio may fall since fixed income securities generally fall in value when interest rate rise. The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes. Changes in interest rates may have a significant effect on such Sub-Funds, because it may hold securities with long terms to maturity and structured notes.

Liquidity Risk

This risk refers to the possibility that a Sub-Fund may lose money or to be prevented from earning capital gains if it cannot sell a security at the time and price that is most beneficial to such Sub-Fund. Because structured securities may be less liquid than other securities, the Sub-Fund may be more susceptible to liquidity risks than funds that invest in other securities.

Management risks

Structured Notes are usually managed by other asset managers, therefore performance of these products is highly reliant on the ability of such asset manager to achieve its own objective of performance and to maintain appropriate staff (i.e. managers specialized in credit, credit analysts) and systems.

Removal of indexes

Indices referred to in this Prospectus may be suppressed or changed for any reason. Even if the risk that such a situation could appear is very low, the Board of Directors and the managers undertake to make the following decisions:

Either,

- Change of the reference index in the concerned Sub-Fund, or
- Proposal to the shareholders to switch their Shares into Shares of another Sub-Fund, or
- Liquidation of the Sub-Fund

Investment in Emerging and Developing Markets

Some of the Sub-Funds will be exposed to emerging markets where the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable.

The following statements are intended to summarise some of the risks in Emerging Countries and Developing Markets, and they do not offer advice on the suitability of investments.

Political and Economic Risks

Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal/fiscal/regulatory/market reforms.

Assets could be compulsorily acquired without adequate compensation.

A country's external debt position could lead to the sudden imposition of taxes or exchange controls.

High inflation can mean that businesses have difficulty obtaining working capital.
Local management are often inexperienced in operating companies in free market conditions.

A country may be heavily dependent on its commodity and actual resource exports and therefore be vulnerable to weaknesses in world prices for these products.

Legal Environment

The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.

Legislation could be imposed retrospectively or may be issued in the form of internal regulations which the public may not be made aware of.

Judicial independence and political neutrality cannot be guaranteed. State bodies and judges may not adhere to the requirements of the law and the relevant contract.

There is no certainty that investors will be compensated in full or in part for any damage incurred or loss suffered as a result of legislation imposed or decisions of state bodies or judges.

Accounting Practices

The accounting and audit systems may not accord with international standards. Even when reports have been brought into line with international standards, they may not always contain correct information. Obligations of companies to publish financial information may also be limited.

Shareholder Risk
Existing legislation may not yet be adequately developed to protect the rights of minority shareholders.

There is generally no concept of fiduciary duty to shareholders on the part of management.

There may be limited recourse for violation of such shareholders' rights as pertain.

Market and Settlement Risks
The securities markets of some countries lack the liquidity, efficiency, regulatory and supervisory controls of more developed markets.

Lack of liquidity may adversely affect the value or ease of disposal of assets. The share register may not be properly maintained and the ownership interests may not be, or remain, fully protected. Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Company.

Price Movement and Performance
Factors affecting the value of securities in some markets cannot easily be determined. Investment in securities in some markets carries a high degree of risk and the value of such investments may decline or be reduced to zero.

Currency Risk
Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.

The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.

Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.

Taxation
Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which a Fund invests or may invest in the future (in particular Russia and other emerging markets) is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the Company could become subject to additional taxation in such countries that is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

Execution and Counterparty Risk
In some markets there may be no secure method of delivery against payment which would avoid exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

<u>Counterparty risk</u>
Cash held by a counterparty by virtue of an agreement may not be treated as client money subject to the protection conferred by local rules to client money and accordingly may not be segregated; it could be used by the counterparty in the course of its investment business and the relevant Sub-Fund may therefore rank as an unsecured creditor in relation thereto.

A Sub-Fund may also be exposed to a credit risk on the counterparties with which it trades in relation to OTC futures, options, contracts for differences and swaps. OTC futures, options, contracts for differences and swaps are agreements specifically tailored to the needs of an individual investor that enable the user to structure precisely the date, market level and amount of a given position. Non OTC futures, options, contracts for differences and swaps are not afforded the same protections as may apply to participants trading futures, options, contracts for differences or swaps on organized exchanges, such as the performance guarantee of an exchange clearing house. The counterparty for these agreements will be the specific company or firm involved in the transaction, rather than a

recognized exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which the Sub-Fund trades such options or contracts for differences could result in substantial losses to the Sub-Fund.
Finally, a Sub-Fund may also be exposed to a credit risk on counterparties with whom it trades securities, and may bear the risk of settlement default.

Clearing and Settlement
Transactions entered into by some Sub-Funds may be executed on various exchanges and may be cleared and settled through various clearinghouses, custodians, depositories, brokers, and dealers throughout the world. Although the Sub-Funds will attempt to execute, clear, and settle transactions through entities that the Investment Manager believes to be sound, there can be no assurance that a failure by any such entity will not lead to a loss to the relevant Sub-Fund.

Specific risks linked to securities lending and repurchase transactions
In relation to repurchase transactions, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a Sub-Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of this prospectus.

In relation to reverse repurchase transactions, investors must notably be aware that if the counterparty of a reverse repurchase agreement from whom securities have been acquired fails to honour its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Sub-Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. The relevant Sub-Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights to the underlying securities, including reduced income during the period of enforcement and expenses in enforcing its rights.

In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by a Sub-Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Fund to meet delivery obligations under security sales.

Investment in Russia and CIS
Investments in Russia and CIS either through the Russian Trading System (RTS) and Moscow Interbank Currency Exchange (MICEX) or on other non-Regulated Markets are subject to increased risk with regard to ownership and custody of securities.

There are significant risks inherent in investing in Russia and the CIS including: (a) delays in settling transactions and the risk of loss arising out of the systems of securities registration and custody; (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection; (c) pervasiveness of corruption, insider trading, and crime in the Russian and CIS economic systems; (d) difficulties associated in obtaining accurate market valuations of many Russian and CIS securities, based partly on the limited amount of publicly available information; (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes; (f) the general financial condition of Russian and CIS companies, which may involve particularly large amounts of inter-company debt; (g) banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings and (h) the risk that the governments of Russia and CIS member states or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union.

The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner.

Evidence of legal title in many cases will be maintained in 'book-entry' form and a Sub-Fund could lose its registration and ownership of securities through fraud, negligence or even oversight. Securities in Russia and in the CIS are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to, the Company, the Custodian Bank or their local agents in Russia or in the CIS. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and in the CIS and registration delays and failures to register securities can occur. Although Russian and CIS sub-custodians will maintain copies of the registrar's records ("**Records**") on its premises, such Records may not, however, be legally sufficient to establish ownership of securities. Further a quantity of forged or otherwise fraudulent securities, Records or other documents are in circulation in the Russian and CIS markets and there is therefore a risk that a Sub-Fund's purchases may be settled with such forged or fraudulent securities. In common with other emerging markets, Russia and the CIS have no central source for the issuance or publication of corporate actions information. The Custodian Bank therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications.

In accordance with applicable laws and regulations, although exposure to these equity markets is substantially obtained through the use of ADRs and GDRs, Sub-Funds may, in accordance with their investment policy, invest in securities which require the use of local depository or custodial services.

MARKET TIMING POLICY

The Company does not knowingly allow investments which are associated with market timing practices, as such practices may adversely affect the interests of all shareholders.

As per the CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment ("**UCI**") within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the UCI.

Opportunities may arise for the market timer either if the Net Asset Value (as defined on hereafter) of the UCI is calculated on the basis of market prices which are no longer up to date (stale prices) or if the UCI is already calculating the Net Asset Value when it is still possible to issue orders.

Market timing practices are not acceptable as they may affect the performance of the UCI through an increase of the costs and/or entail a dilution of the profit.

Accordingly, the Directors may, whenever they deem it appropriate and at their sole discretion, cause the Registrar Agent and the Administrative Agent, respectively, to implement any of the following measures:

- Cause the Registrar Agent to reject any application for conversion and/or subscription of Shares from investors whom the former considers market timers.

- The Registrar Agent may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices.

- If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued during periods of market volatility cause the Administrative Agent to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the point of valuation.

DATA PROTECTION

Certain personal data of investors (including, but not limited to, holding in the Company) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company, the Registrar Agent, the Management Company and other companies of Lyxor Asset Management S.A.S and affiliates and the financial Intermediaries of such investors. In particular, such data may be processed for the purposes of account and distribution fee administration, anti-money laundering identification, tax identification under the European Union Tax Savings Directive 2003/48/EC and to provide client-related services. Such information shall not be passed on any unauthorised third persons.

The Company will take step to ensure that all personal data in relation to Shareholders is recorded accurately and maintained in a secure and confidential format. Such data will be retained only as long as necessary as in accordance with applicable laws. Data will only be used for the purpose or which it was collected, unless the consent of the Shareholder is obtained for its use for a different purpose.

By subscribing to the Shares, each Shareholder consents to such processing of its personal data. This consent is formalized in writing in the subscription form used by the relevant Intermediary.

Shareholders may request access to or rectification of any personal data supplied by them in the manner and subject to the limitations prescribed in applicable laws.

TABLE OF CONTENTS

Directory

Registered Office
28-32 Place de la Gare, L-1616 Luxembourg, Grand Duchy of Luxembourg

PROMOTER
Société Générale S.A.
29, Boulevard Haussmann, F-75009 Paris, France

BOARD OF DIRECTORS OF THE COMPANY

Chairman

Nicolas GAUSSEL
Global Chief Investment Officer
Lyxor Asset Management S.A.S.
17, cours Valmy, F-92987 Paris-La Défense, France

Directors

Riadh BACH
Société Générale Bank and Trust S.A.
11 Avenue Emile Reuter, L-2420 Luxembourg

Guilhem TOSI
Head of Product Development and Legal Affairs
Lyxor Asset Management S.A.S.
17, cours Valmy, F-92987 Paris-La Défense, France

MANAGEMENT COMPANY
Lyxor Asset Management S.A.S
17, cours Valmy - 92987 Paris-La Défense-France

Chairman
Lionel PAQUIN

Supervisory Board
Christophe MIANNE: member of the Supervisory Board Deputy Head of the Finance and Investment Banking

David ESCOFFIER: member of the Supervisory Board - Deputy Head of Global Markets

Richard QUESSETTE: member of the Supervisory Board
Deputy Head of Trading

Gilles BRIATTA: member of the Supervisory Board
Deputy Secretary General

Slawomir KRUPA: member of the Supervisory Board
Deputy Head of Global Finance and Head of Corporate Strategy & Development

SOCIETE GENERALE: member of the Supervisory Board
Represented by Mr Christophe LEBLANC Chief Operating Officer

ADMINISTRATION

CUSTODIAN BANK AND PAYING AGENT
Société Générale Bank & Trust S.A.
11, avenue Emile Reuter, L-2420 Luxembourg, Grand Duchy of Luxembourg

ADMINISTRATIVE, CORPORATE AND DOMICILIARY AGENT
Société Générale Bank & Trust S.A.
11, avenue Emile Reuter, L-2420 Luxembourg, Grand Duchy of Luxembourg
Operational center: 28-32, Place de la Gare, L – 1616 Luxembourg Grand Duchy of Luxembourg

REGISTRAR AND TRANSFER AGENT
European Fund Services S.A.
28-32, Place de la Gare, L-1616 Luxembourg, Grand Duchy of Luxembourg

AUDITOR
PricewaterhouseCoopers, Société coopérative
400, Route d'Esch, L-1471 Luxembourg, Grand Duchy of Luxembourg

LEGAL ADVISERS
Elvinger, Hoss & Prussen
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Investment Objectives / Investment Powers and Restrictions

Investment Objectives

The Company aims to provide investors with professionally managed Sub-Funds investing in a wide range of transferable securities, money market instruments and other permitted assets in accordance with Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (the "**2010 Law**") in order to achieve an optimum return from capital invested while reducing investment risk through diversification.

The investment policy and objective of each Sub-Fund will be determined in its concerned Appendix annexed to the present Prospectus.

Investment Powers and Restrictions

In order to achieve the Company's investment objectives and policies, the Board of Directors has determined that the following investment powers and restrictions shall apply to all investments by the Company:

A. INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS

1) In order to achieve the Company's investment objectives and policies, the Directors have determined that the following investment powers and restrictions shall apply to all investments made by certain Sub-Funds of the Company:

The Company, in certain Sub-Funds, may solely invest in

a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of article 4, item 1.14 of Directive 2004/39/EC;

b) transferable securities and money market instruments dealt in on another regulated market that operates regularly and is recognised and is open to the public (a "**Regulated Market**") in a member state as defined in the 2010 Law (the "**Member State**");

c) transferable securities and money market instruments admitted to official listing on a stock exchange or dealt in on another Regulated Market located within any other country in Europe, Asia, Oceania, the Americas and Africa

d) recently issued transferable securities and money market instruments provided that:

   i) the terms of issue provide that application be made for admission to official listing in any of the stock exchanges or Regulated Markets referred to above;

   ii) such admission is secured within one year of the issue.

e) units or shares of UCITS ("**UCITS**") authorised according to Directive 2009/65/EC and/or other UCIs within the meaning of the first and second indent of Article 1 (2) of the Directive 2009/65/EC, should they be situated in a Member State or not, provided that:

   i) such other UCIs are authorised under laws which state that they are subject to supervision considered by the Luxembourg Supervisory Authority as equivalent as that laid down in Community legislation and that co-operation between authorities is sufficiently ensured;

   ii) the level of guaranteed protection offered to the unit holders/ shareholders in such UCIs is equivalent to that provided for unit holders/ shareholders in a UCITS, and in particular that the rules on asset segregation, borrowings, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;

   iii) the activity of the other UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

   iv) the UCITS or the other UCIs in which each Sub-Fund of the Company intends to invest, may not, according to its constitutive documents, invest more than 10% of its net assets in aggregate, in units/shares of other UCITS or other UCIs;

   The diversification limits relating to the investment in units or shares of UCITS or other UCIs described in this sub-paragraph are set out in the appendix of each Sub-Fund.

f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 (twelve) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the Luxembourg Supervisory Authority as equivalent to those laid down in Community law;

g) financial derivative instruments including cash settlement instruments, dealt in on a Regulated Market referred to in sub-paragraphs a), b), c) and/or financial derivative instruments dealt in over-the-counter ("**OTC Derivatives**") provided that:

   i) the underlying consists of instruments covered by the paragraph 1) above (points a to f), financial indices, interest rates, foreign exchanges rates or currencies in which each of the Sub-Funds may invest according to their investment objective;

   ii) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg Supervisory Authority; and

   iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

h) money market instruments other than those dealt in on a Regulated Market and referred to in Article 1 of the 2010 Law, if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

   i) issued or guaranteed by a central, regional, or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or

   ii) issued by an undertaking whose securities are dealt in on Regulated Markets referred to in sub-paragraphs a), b) or c); or

   iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with the criteria defined by the Community law or by an establishment which is subject to and comply with prudential rules considered by the Luxembourg Supervisory Authority to be at least equivalent to those laid down by Community law; or

   iv) issued by other bodies belonging to the categories approved by the Luxembourg Supervisory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second and the third indent above and provided that the issuer is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with Fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2) In addition, each Sub-Fund of the Company may invest a maximum of 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph (1).

3) The Company may hold liquidity on an ancillary basis.

4) a) each Sub-Fund may not invest more than 10% of its net assets in transferable securities or money market instruments issued by the same issuer.

   Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same issuer. The risk exposure to a counterparty of each Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (1) f) above or 5% of its net assets in other cases.

   b) in addition to the limit set forth in point a) above, the total value of transferable securities and money market instruments amounting more than 5% of the net assets of one Sub-Fund, must not exceed 40% of the net assets of this Sub-Fund. This limitation does not apply to deposit and OTC derivative transactions made with financial institutions subject to prudential supervision.

   Notwithstanding the individual limits laid down in paragraph a), b) above, each Sub-Fund may not combine:

   i) investments in transferable securities or money market instruments issued by, and

   ii) deposits made with,

   iii) exposures arising from OTC derivatives transactions undertaken with a single issuer for more than 20% of the Sub-Fund's net assets.

c) the limit of 10% in sub-paragraph 4 a) above may be increased to a maximum of 35% in respect of transferable securities and money market instruments which are issued or guaranteed by a Member State or its local authorities, by a third country or by public international bodies of which one or more Member States are members, and such securities and money market instruments need not be included in the calculation of the limit of 40% stated in sub-paragraph 4) b).

d) the limit of 10% in sub-paragraph 4 a) above may be increased to a maximum of 25% in respect of qualifying debt securities issued by a credit institution whose registered office is situated in a Member State and which is subject, by virtue of law, to particular public supervision in order to protect the holders of such qualifying debt securities. For purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its Net Assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund. Such securities need not be included in the calculation of the limit of 40% stated in sub-paragraph 4 b).

The ceilings set forth in paragraph 4 above may not be aggregated, and accordingly, investments in the securities of any one issuer, effected in compliance with the provisions set forth in paragraph 4, may under no circumstances exceed 35% of any Sub-Fund's net assets.

e) companies which are included in the same group for the purposes of consolidated accounts (as defined in accordance with Directive 83/349/ EEC) or in accordance with recognised international accounting rules are considered as a single body or issuer for the purpose of calculating the limits contained in this section.

Each Sub-Fund may invest in aggregate up to 20% of its net assets in transferable securities and money market instruments with the same group.

5) Notwithstanding the ceilings set forth above, each Sub-Fund is authorised to invest in accordance with the principle of risk spreading, up to 100% of its net assets in transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, by its local authorities, by an OECD member state, Singapore, Brazil, Indonesia, Russia or South Africa or public international bodies of which one or more Member State(s) of the European Union are members provided that

a) such securities are part of at least six different issues, and

b) the securities from any one issue do not account for more than 30% of the net assets of such Sub-Fund.

Such authorisation will be granted should the shareholders have a protection equivalent to that of shareholders in UCITS complying with the limits laid down in 4) above.

6) The Company may:

a) not acquire more than 10% of the debt securities of any single issuing body;

b) not acquire more than 10% of the non-voting shares of any single issuing body;

c) not acquire more than 10% of the money market instruments of any single issuing body;

d) not acquire more than 25% of the units of any single collective investment undertaking;

These four above limits apply to the Company as a whole.

The limits under a), c) and d) above may be disregarded at the time of acquisition if at that time the gross amount of the bonds or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The Company may not acquire any shares carrying voting rights which would enable the Company to take legal or management control or to exercise significant influence over the management of the issuing body.

7) The ceilings set forth under 6) above do not apply in respect of

a) transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities;

b) transferable securities and money market instruments issued or guaranteed by any other State which is not a Member State;

c) transferable securities and money market instruments issued by a public international body of which one or more Member State(s) is/are member(s);

d) shares in the capital of a company which is incorporated under or organised pursuant to the laws of a State which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers of the State, (ii) pursuant to the law of that State a participation by the relevant Sub-Fund in the equity of such vehicle constitutes the only possible way to purchase securities of issuers of that State, and (iii) such vehicle observes in its investments policy the restrictions set forth in paragraph 4) and 5) above as well as in **C**. hereafter.

e) shares held by the Company in the capital of subsidiaries carrying on exclusively the business of management, advice or marketing of the Company in the country/state where the subsidiary is located, regarding the repurchase of units/shares requested by the unit holders/shareholders.

The investment restrictions listed above and in **C**. hereafter apply at the time of purchase of the relevant investments. If these limits are exceeded with respect to a Sub-Fund for reasons beyond the control of the Sub-Fund or when exercising subscription rights, the Sub-Fund shall adopt as a priority objective for the sales transactions of the relevant Sub-Fund the remedying of that situation, taking due account of the interests of the shareholders.

While ensuring observance of the principle of risk-spreading, the Company may derogate from limitations 4) to 7) above and in **C**. hereafter for a period of six months following the date of its inscription to the Luxembourg official list of UCI's.

8) The Company shall ensure that the global exposure relating to the use of derivative instruments in one Sub-Fund does not exceed its total asset value. The risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

If a Sub-Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph A. 4) above. When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph A. 4).

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the above requirements.

B. INVESTMENT MADE BY INDEX SUB-FUNDS

The aim of index Sub-Funds, if any, is to replicate the composition of a certain financial index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

Owing to the specific investment policy of the index Sub-Funds and without prejudice to the limits laid down in paragraph **A.** 6) and 7), the limits laid down in paragraph **A.** 4) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body. The aforesaid limit is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

C. INVESTMENT IN UCITS AND OTHER UCIs

Certain Sub-Funds may acquire units of UCITS and/or other UCIs referred to in paragraph A. 1) e) above, provided that no more than 20% of a Sub-Fund's net assets be invested in the units of a single UCITS or other UCI.

For the purpose of the application of the investment limit, each Sub-Fund of a UCI with an umbrella structure is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various Sub-Funds vis-à-vis third parties is ensured.

Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

When the Sub-Funds of the Company invest in the units of other UCITS and/or other UCIs managed by a company linked to the Management Company by common management or control, or by a direct or indirect holding of more than 10% of the share capital or voting rights, or managed directly or indirectly by the Management Company no subscription or redemption fees and, unless otherwise specified in the relevant Appendix, only a reduced management fee of up to 0.25% may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.

The total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed **3%** of the relevant net assets under management. The Company will indicate in its annual report the total management fees charged to both the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.

The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under **A** above.

D. INVESTMENT IN OTHER ASSETS

a) The Company will not make investments in precious metals or certificates representing them.

b) The Company may not enter into transactions involving commodities or commodity contracts, except that the Company may employ techniques and instruments relating to transferable securities set out in paragraph **E.** below.

c) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

   However, the Company may acquire movable and immovable property which is essential for the direct pursuit of its activity.

d) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to above.

e) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction, back to back loans are not considered to be borrowings.

f) The Company will not grant loans or act as guarantor on behalf of third parties. This limitation will not prevent the Company from acquiring transferable securities, money market instruments or other financial instruments referred to in point A. 1) e), g) and h) above which are not fully paid.

g) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in e) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of each Sub-Fund. In connection with swap transactions, option and forward exchange transactions or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.

h) The Company will not underwrite or sub-underwrite securities of other issuers.

In accordance with the above Investment Restrictions, each Sub-Fund may employ techniques and instruments relating to transferable securities and money market instruments providing that these techniques and instruments are used for the purpose of efficient portfolio management. A Sub-Fund may also employ techniques and instruments intended to provide protection against foreign exchange risks in the context of the management of the assets and liabilities of the Sub-Fund (see below).

The Board of Directors may impose other investment restrictions at any time in the interest of the shareholders whenever necessary to comply with the laws and requirements of those countries where the Company Shares are offered.

E. DERIVATIVE INSTRUMENTS AND INVESTMENT TECHNIQUES

1. General

The Company may employ derivative instruments and investment techniques for efficient portfolio management, for hedging currency and market risks and, to the extent disclosed in the investment policy of a specific Sub-Fund, for investment purposes.

When transactions involve the use of derivatives, the Company must comply with the applicable restrictions specified under point A. above.

The use of derivatives or other financial techniques and instruments may not cause the Company to stray from the investment objectives and policies set out in the Appendix for each Sub-Fund.

The Company will ensure that the global exposure relating to derivative instruments does not exceed the total net asset value of the Sub-Fund to which they apply.

The Company may, as a measurement of its market risk exposure, follow a Value at Risk method per Sub-Fund.

Value at Risk (VaR) provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level.

In consideration of the above, the global exposure relating to derivative instruments held in each Sub-Fund shall be regarded as the total Value at Risk of its positions, measured at a 99% confidence level and based on a time horizon of one month.

2. Contracts for Differences

The Company may use contract for differences. A contract for difference is a cash settled bilateral financial contract, the value of which is linked to a security, instrument, basket or index.

The Company will only enter into contract for difference transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. Also, the Company will only accept obligations upon a credit event that are within the investment policy of the relevant Sub-Fund.

The Company will ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from contracts for differences and other techniques and instruments.

3. Securities Lending and Repurchase Agreements

The Company may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down in the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions (the "regulations"), employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk. Such techniques and instruments may include, but are not limited to, engaging in transactions in financial derivative instruments such as futures, forwards, options, swaps and swaptions. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments in accordance with the Regulations.

To the maximum extent allowed by, and within the limits set forth in, the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, each Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non optional repurchase transactions and (B) engage in securities lending transactions.

Should any Sub-Fund receive collateral assets in the context of derivatives or enter into transactions including efficient portfolio management techniques as specified in the Annex of the relevant Sub-Fund, those assets acquired by the relevant Sub-Fund under such derivatives' collateral and/or transactions will conform with the requirements of CSSF Circular 08/356 and CSSF Circular 14/592.

To the extent permitted by the applicable regulation and by way of derogation, the Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, an OECD member state, Singapore, Brazil, Indonesia, Russia or South Africa, or a public international body to which one or more Member States belong. In that case the Sub-Fund shall receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the Net Asset Value of the Sub-Fund.

In accordance with CSSF Circular 08/356, securities that may be the subject of transactions including efficient portfolio management techniques are limited to the below "Collateral Types":

(i) short-term bank certificates or money market instruments as defined in Directive 2007/16/EC of 19 March 2007;
(ii) bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or supranational institutions and undertakings with EU, regional or world-wide scope;
(iii) bonds issued by non-governmental issuers offering an adequate liquidity;
(iv) shares quoted or negotiated on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, provided that these shares are included within a main index; and,
(v) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.

The securities acquired by any Sub-Fund as derivatives' collateral and/or under transactions including efficient portfolio management techniques must be issued by an entity that is independent from the counterparty and which is not expected to display a high correlation with the performance of the counterparty.
A haircut may be applied to the value of the securities acquired by the relevant Sub-Fund as derivatives' collateral and/or under transactions including efficient portfolio management techniques. Such haircut will be determined by the Management Company based on criteria, including, but not limited to:

- nature of the security
- maturity of the security (when applicable)
- the security issuer rating (when applicable)

The following margin requirements for derivatives' collateral and/or collateral under transactions including efficient portfolio management techniques are applied by the Management Company (the Management Company reserves the right to vary this policy at any time in which case this Prospectus will be updated accordingly):

Collateral Type	Margin
(i)	100% - 102%
(ii)	100% - 110%
(iii)	100% - 115%
(iv)	100% - 135%
(v)	100% - 102%

Collateral types denominated in a currency other than the currency of the relevant Sub-Fund may be subject to an additional haircut.

No direct or indirect fees will be charged by the counterparty to efficient portfolio management transactions (if any). All the revenues arising from such transactions will be returned to the relevant Sub-Fund.

Should any Sub-Fund reinvest cash collateral, this will be disclosed in the relevant Appendix.

4. Other instruments

(a) Warrants

Warrants shall be considered as transferable securities if they give the investor the right to acquire newly issued or to be issued transferable securities. The Sub-Funds, however, may not invest in warrants where the underlying is gold, oil or other commodities.

The Sub-Funds may invest in warrants based on stock exchange indices for the purpose of efficient portfolio management.

(b) Rules 144 A Securities

The Sub-Funds may invest in so-called Rule 144A securities which are securities that are not required to be registered for resale in the United States under an exemption pursuant to Section 144A of the 1933 Act ("Rule 144A Securities"), but can be sold in the United States to certain institutional buyers. A Sub-Fund may invest in Rule 144A Securities, provided that: such securities are issued with registration rights pursuant to which such securities may be registered under the 1933 Act and traded on the US OTC Fixed Income Securities market. Such securities shall be considered as newly issued transferable securities.

In the event that any such securities are not registered under the 1933 Act within one year of issue, such securities shall be considered as subject to the 10% limit of the net assets of the Sub-Fund applicable to the category of non-listed securities.

(c) Structured Notes

Subject to any limitations in its investment objective and policy and to the Investment Restrictions outlined above, each Sub-Fund may invest in structured notes, comprising listed government bonds, medium-term notes, certificates or other similar instruments issued by prime rated issuers where the respective coupon and/or redemption amount has been modified (or structured), by means of a financial instrument.

The Investment Restrictions apply on the issuer of the Structured Note and also on its underlying assets.

These notes are valued by brokers with reference to the revised discounted future cash flows of the underlying assets.

<u>Risk Management Process</u>

The Management Company will employ, on behalf of the Company, a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

<u>Risk Warning on the use of derivatives Instruments</u>

A Sub-Fund's use of derivatives such as futures, options, warrants, forwards and swaps involves increased risks. A Sub-Fund's ability to use such instruments ("Derivatives Instruments") successfully depends on its Investment manager's ability to accurately anticipate movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Investment Manager's anticipations are wrong, or if the derivatives do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used the derivatives.

Derivative instruments are highly volatile instruments and their market values may be subject to wide fluctuations.

The entering into swap transactions is subject to potential counterparty and issuer risk. In the event of the insolvency or default of the counterparty or issuer, the relevant Sub-Fund could suffer a loss.

<u>Net Asset Value</u>

The net asset value per share (hereinafter the "**Net Asset Value per Share**") of each Class in each Sub-Fund will be calculated by the Administrative Agent in the reference currency (the "**Reference Currency**") of each Sub-Fund and Class.

The Net Asset Value per Share is calculated on each Valuation Day as defined in the relevant Appendices, and at least twice per month. The Net Asset Value per Share for all Sub-Funds will be determined on the basis of the last available closing prices or other reference prices as specified in the relevant Appendices. If since the close of business, there has been a material change in the quotations on the markets on which a substantial portion of the investments attributable to a particular Sub-Fund are dealt or quoted, the Company may, in order to safeguard the interests of shareholders and the Company, cancel the first valuation and carry out a second valuation prudently and in good faith.

The Net Asset Value per Share of each Class of Shares for all Sub-Funds is determined by dividing the value of the total assets of the Sub-Fund properly allocable to such Class of Shares less the liabilities of the Sub-Fund properly allocable to such Class of Shares by the total number of Shares of such Class outstanding on any Valuation Day.

The Net Asset Value of the Classes of Shares may differ within each Sub-Fund as a result of the differing "*taxe d'abonnement*", the dividend policy, the currency, the management fee, the subscription and redemption charges for each Class. In calculating the Net Asset Value per Share, income and expenditure are treated as accruing on a daily basis.

The calculation of the Net Asset Value per Share of the different Classes of Shares shall be made in the following manner:

a) <u>The assets of the Company shall be deemed to include:</u>

1) all cash on hand or on deposit, including any interest accrued thereon;

2) all bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);

3) all bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, units or shares of undertakings for collective investment, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Company (provided that the Company may make adjustments in a manner not inconsistent with paragraph (i) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);

4) all stock dividends, cash dividends and cash distributions receivable by the Company to the extent information thereon is reasonably available to the Company;

5) all interest accrued on any interest-bearing assets owned by the Company except to the extent that the same is included or reflected in the principal amount of such assets;

6) the preliminary expenses of the Company insofar as the same have not been written off;

7) all other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

i) The value of any cash on hand or on deposit bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;

ii) securities listed on a recognised stock exchange or dealt on any other regulated market (hereinafter referred to as a "**Regulated Market**") that operates regularly, is recognised and is open to the public, will be valued at their last available closing prices, or, in the event that there should be several such markets, on the basis of their last available closing prices on the main market for the relevant security;

iii) in the event that the last available closing price does not, in the opinion of the directors, truly reflect the fair market value of the relevant securities, the value of such securities will be determined by the directors based on the reasonably foreseeable sales proceeds determined prudently and in good faith;

iv) securities not listed or traded on a stock exchange or not dealt on another regulated market will be valued on the basis of the probable sales proceeds determined prudently and in good faith by the Directors;

v) the value of financial derivative instruments traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these financial derivative instruments on exchanges and Regulated Markets on which the particular financial derivative instruments are traded by the Company; provided that if financial derivative instruments could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the value of such financial derivative instruments shall be such value as the Directors may deem fair and reasonable;

vi) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;

vii) Investments in open-ended UCIs will be valued on the basis of the last available net asset value of the units or shares of such UCIs; and

viii) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

ix) liquid assets and money market instruments may be valued at market value plus any accrued interest or on an amortised cost basis as determined by the Board of Directors. All other assets, where practice allows, may be valued in the same manner. If the method of valuation on an amortised cost basis is used, the portfolio holdings will be reviewed from time to time under the direction of the Board of Directors to determine whether a deviation exists between the Net Asset Value calculated using the market quotation and that calculated on an amortised cost basis. If a deviation exists which may result in a material dilution or other unfair result to investors or existing shareholders, appropriate corrective action will be taken including, if necessary, the calculation of the Net Asset Value by using available market quotations; and

x) in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Company if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments.

b) <u>The liabilities of the Company shall be deemed to include:</u>

i) all loans, bills and accounts payable;

ii) all accrued or payable administrative expenses payable by the Company;

iii) all known liabilities, present and future, including all matured contractual obligations for payment of money or property;

iv) an appropriate provision for future taxes based on capital and income to the dealing day preceding the Valuation Day, as determined from time to time by the Company, and other reserves, if any, authorised and approved by the directors, in particular those that have been set aside for a possible depreciation of the investments of the Company; and

v) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by shares of the Company. In determining the amount of such liabilities, the Company shall take into account all expenses payable by the Company.

All shares in the process of being redeemed by the Company shall be deemed to be issued until the close of business on the Valuation Day applicable to the redemption. The redemption price is a liability of the Company from the close of business on this date until paid.

All shares issued by the Company in accordance with subscription applications received shall be deemed issued from the close of business on the Valuation Day applicable to the subscription. The subscription price is an amount owned to the Company from the close of business on such day until paid.

The net assets of the Company are expressed in Euro and are at any time equal to the total of the net assets of the various Sub-Funds.

Temporary Suspension of the Calculation of the Net Asset Value per Share

The Company may suspend temporarily the calculation of the Net Asset Value per Share of one or more Sub-Funds and the issue, sale, redemption and conversion of Shares, in particular, in the following circumstances:

a) during any period when any of the principal stock exchanges or other recognised markets on which a substantial portion of the investments of the Company attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;

b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable;

c) during any breakdown or restriction in the means of communication normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund;

d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;

e) during any period when in the opinion of the Directors of the Company there exist unusual circumstances where it would be impracticable or unfair towards the shareholders to continue dealing with Shares of any Sub-Fund of the Company or any other circumstance or circumstances where a failure to do so might result in the shareholders of the Company, a Sub-Fund or a Class of Shares incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the shareholders of the Company, a Sub-Fund or a Class of Shares might not otherwise have suffered;

f) in the event of (i) the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up the Company or a Sub-Fund is to be proposed, or of (ii) the decision of the Board of Directors to wind up one or more Sub-Funds, or (iii) to the extent that such a suspension is justified for the protection of the shareholders, of the notice of the general meeting of shareholders at which the merger of the Company or a Sub-Fund is to be proposed, or of the decision of the Board of Directors to merge one or more Sub-Funds;

g) where a UCI in which a Sub-Fund has invested a substantial portion of its assets temporarily suspends the repurchase, redemption or subscription of its units, whether on its own initiative or at the request of its competent authorities.

The suspension of calculation of the Net Asset Value of a Sub-Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, sale, redemption and conversion of Shares of any other Sub-Fund which is not suspended.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share.

Notice of the beginning and of the end of any period of suspension will be published in a

Luxembourg daily newspaper if the duration of the suspension is to exceed five days and, as the case may be, in any other newspaper(s) selected by the Board of Directors. Notice will likewise be given to any subscriber or shareholder as the case may be applying for purchase, redemption or conversion of Shares in the Sub-Fund(s) concerned.

Publication of the Net Asset Value per Share

The Net Asset Value per Share of each Class within each Sub-Fund is made public at the registered office of the Company and is available at the office of the Custodian Bank. The Company may arrange for the publication of this information in leading financial newspapers. The Company cannot accept any responsibility for any error or delay in publication or for non-publication of prices.

The Shares (issue and form)

After the initial subscription period, as defined in the relevant Appendices, Shares will be issued at the Net Asset Value per Share of the relevant Class (the "**Issue Price**"). Fractions of Shares will be issued as determined for each Class and each Sub-Fund in the relevant Appendices, the Company being entitled to receive the adjustment.

The Shares will only be issued in registered form. The share register is conclusive evidence of ownership. The Company treats the registered owner of a Share as the absolute and beneficial owner thereof.

Registered shares are issued in uncertificated form and shall be materialised by an inscription in the register of shareholders unless a Share Certificate is specifically requested at the time of subscription. Any charges in connection with the issue of Share Certificate will be borne by the investors. When Certificates will be issued, such Certificates will only be in denominations of 1, 10 and 100 shares. Should an investor request Share Certificates, these will, in principle, be delivered in Luxembourg within fifteen calendar days of receipt of payment of the purchase price.

Holders of Shares Certificates must return their Share Certificates, duly renounced, to the Company before redemption instructions may be effected. The uncertificated form of Shares enables the Company to effect redemption instructions without undue delay, and consequently the Board of Directors recommends that investors maintain their Shares in uncertificated form.

Shares are freely transferable (with the exception that Shares may not be transferred to a Prohibited Person or a US Person, as defined under paragraph "Subscription Procedure").

Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class to which it belongs or its Net Asset Value, is entitled to one vote at all general meetings of shareholders. Fractions of Shares are not entitled to a vote but are entitled to a prorata portion of the Company's performance made to the relevant Shares and of the distribution proceeds at the time of liquidation of the Company. Shares are issued with no par value and must be fully paid for on subscription.

Upon the death of a shareholder, the Board of Directors reserves the right to require the provision of appropriate legal documentation in order to verify the rights of all and any successors in title to Shares.

No Shares of any Class will be issued by the Company during any period in which the determination of the Net Asset Value of the Shares is suspended by the Company, as noted at under "Temporary Suspension of Calculation of the Net Asset Value".

Classes of Shares

Within each Sub-Fund, the Company may create different Classes of Shares which are entitled to dividend payments ("**Distribution Shares**") or with earnings reinvested ("**Capitalisation Shares**"), or which differ also by the targeted investors, their reference currencies, by the management fees or the subscription / redemption charges.

The amounts invested in the several Classes of Shares of one Sub-Fund are themselves invested in a common underlying portfolio of investments within the Sub-Fund, although the Net Asset Value per Share of each Class of Shares may differ as a result of either the distribution policy, the "*taxe d'abonnement*" and/or the management fees and/or the subscription and redemption charges for each Class.

Subscription for Shares

Subscription Procedure

Subscriptions for Shares can be accepted only on the basis of the current Prospectus and each relevant KIID. The Company will produce an audited annual report (the "**Annual Report**") containing the audited accounts and an unaudited semi-annual report (the "**Semi-annual Report**"). Following the publication of the first of either report, the current Prospectus at that date will be valid only if accompanied by such Annual Report or Semi-annual Report if more recent. These reports in their latest version will form an integral part of the Prospectus.

An investor's first subscription for Shares must be made to the Registrar Agent in Luxembourg or to the Nominee (as more described under paragraph "Management and Administration") as indicated on the subscription form (the "**Subscription Form**"). Subsequent subscriptions for Shares may be made in writing or by fax.

The application for subscription of Shares must include the monetary amount or the number of Shares the shareholder wishes to subscribe and the Class(es) and Sub-Fund(s) for which Shares are to be subscribed.

The Company reserves the right to reject, in whole or in part, any subscription without giving any reason therefore.

Subscriptions for Shares received by the Registrar Agent on any Dealing Day (as defined in the Appendix of each Sub-Fund) before any Sub-Fund subscription deadline (the "**Subscription Deadline**" as defined in the Appendix of each Sub-Fund), will be processed on that Dealing Day for Subscription, using the Net Asset Value per Share calculated on the applicable Valuation Day, as defined in the relevant Appendices, and which will be based on the last available closing prices or other reference prices as specified in the relevant Appendices.

All applications for subscription will be dealt at an unknown Net Asset Value ("forward pricing").

Different time limits may apply if subscriptions for Shares are made through a Distributor/Nominee and/or any intermediary (including but not limited to correspondent banks which may be appointed in any given country) but in any case, the Nominee/Distributor and/or the intermediary will make sure that on a given Dealing Day (as defined in the Appendix of each Sub-Fund), subscription orders are received by the Registrar Agent before the Subscription Deadline. No Distributor/Nominee or intermediary is permitted to withhold subscription orders to benefit personally from a price change. Investors should note that they might be unable to purchase or redeem Shares through a Distributor/Nominee and/or an intermediary on days that such Distributor/Nominee is not open for business.

Any applications for subscription received after the Subscription Deadline on the relevant Dealing Day will be processed on the next Dealing Day on the basis of the Net Asset Value per Share determined on the following Valuation Day.

Payment for Shares must be received by the Custodian Bank and Paying Agent, as more fully described in each relevant Appendix in the Reference Currency of the relevant Sub-Fund, being the currency in which the Shares of a determined Class may be purchased.

The subscription price (not including the sales commission or any other changes) may, upon approval of the Board of Directors, and subject to all applicable laws and regulations, namely with respect to a special audit report confirming the value of any assets contributed in kind (if legally required), be paid by contributing to the Company assets acceptable to the Board of Directors consistent with the investment policy and investment restrictions of the relevant Sub-Fund. The costs for such subscription in kind, in particular the costs of the special audit report, will be borne by the shareholder requesting the subscription in kind or by a third party, but will not be borne by the Company unless the Board of Directors considers that the subscription in kind is in the interest of the Company or made to protect the interests of the Company.

The Board of Directors shall have power to impose or relax such restrictions on any Sub-Fund or Class of Shares (other than any restrictions on transfer of Shares) (but not necessarily on all Classes of Shares within the same Sub-Fund) as it may think necessary for the purpose of ensuring that no Shares in the Company or no Share of any Sub-Fund in the Company are acquired or held by or on behalf of (a) any person in breach of the law or requirements of any country or governmental or regulatory authority (if the Directors shall have determined that any of them, the Company, any manager of the Company's assets, any of the Company's investment managers or advisers or any other person as determined by the Directors would suffer any disadvantage as a result of such breach) or (b) any person in circumstances which in the opinion of the Board of Directors might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority (hereinafter referred to as "**Prohibited Persons**").

As the Company is not registered under the United States Securities Act of 1933, as amended, neither registered under the United States Investment Company Act of 1940, as amended, its Shares may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof or to any partnership, corporation or other entity organised or created under the laws of the United States or any political subdivision thereof (hereinafter referred to as "**US Persons**").

Accordingly, the Company may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person or a US Person.

The Company retains the right to offer only one Class of Shares for subscription in any particular jurisdiction in order to conform to local law, custom, business practice or the Company's commercial objectives.

Payment Procedure

The currency of payment for Shares of each Sub-Fund will be the Reference Currency as more fully described in the relevant appendices. A subscriber may, however with the agreement of the Administrative Agent, effect payment in any other freely convertible currency. The Administrative Agent will arrange for any necessary currency transaction to convert the subscription monies from the currency of subscription (the "**Subscription Currency**") into the Reference Currency of the relevant Sub-Fund. Any such currency transaction will be effected with the Custodian Bank at the subscriber's cost and risk. Currency exchange transactions may delay any issue of Shares since the Administrative Agent may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

A Subscription Form accompanies this Prospectus and may also be obtained from the Registrar Agent or the Nominee.

If timely payment for Shares is not made, the relevant issue of Shares may be cancelled (or postponed if a Share Certificate has to be issued) and a subscriber may be required to compensate the Company for any loss incurred in relation to such cancellation.

Notification of Transaction

A confirmation statement will be sent to the subscriber (or his nominated agent if so requested by the subscriber) as soon as reasonably practicable, providing full details of the transaction. Subscribers should always check this statement to ensure that the transaction has been accurately recorded.

Subscribers are given a personal account number (the "**Account Number**") on acceptance of their initial subscription, and this, together with the shareholder's personal details, is proof of their identity to the Company. The Account Number should be used by the shareholder for all future dealings with the Company and the Registrar Agent.

Any change to the shareholder's personal details, loss of Account Number or loss of or damage to a Share Certificate, must be notified immediately to the Registrar Agent. Failure to do so may result in the delay of an application for redemption. The Company reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned to the subscriber by post or bank transfer at the subscriber's risk.

Rejection of Subscriptions

The Company may reject any subscription in whole or in part, and the Board of Directors may, at any time and from time to time and in its absolute discretion without liability and without notice, discontinue the issue and sale of Shares of any Class in any one or more Sub-Funds.

Suspension of the calculation of the Net Asset Value

No Shares will be issued by the Company during any period in which the calculation of the Net Asset Value of the relevant Sub-Fund is suspended by the Company pursuant to the powers contained in the articles of incorporation of the Company (the "**Articles of Incorporation**") and as discussed under paragraph "Temporary Suspension of Calculation of Net Asset Value per Share".

Notice of suspension will be given to subscribers, and subscriptions made or pending during a suspension period may be withdrawn by notice in writing received by the Company prior to the end of the suspension period. Subscriptions not withdrawn will be processed on the first Dealing Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined on the applicable Valuation Day.

Fight against Money Laundering and Financing of Terrorism

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended) as well as circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the Company nor the Administrative Agent have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

Subscription Charges

The subscription price of the Shares (the "**Subscription Price**") is defined as the "**Initial Price**" or the "**Issue Price**" as described in the section "The Shares (issue and form)" plus any subscription charge (the "**Subscription Charge**").

Detailed information on the Subscription Charge is contained in the relevant Appendices.

Redemption of Shares

Shares of any Class may be redeemed in whole or in part on any Dealing Day on the basis of the Net Asset Value per Share determined on the applicable Valuation Day as described below (the "**Redemption Price**"). Shares redeemed shall be cancelled immediately in the Company's Share Register. Each Sub-Fund shall at all times have enough liquidity to enable satisfaction of any requests for redemption of Shares.

Procedure for Redemption

Shareholders wishing to have all or some of their Shares redeemed by the Company may apply to do so by fax or by letter to the Registrar Agent or to the Nominee.

The application for redemption of Shares must include:

(a) either (i) the monetary amount the shareholder wishes to redeem; or (ii) the number of Shares the shareholder wishes to redeem, and

(b) the Class and Sub-Funds from which Shares are to be redeemed.

In addition, the application for redemption must include the shareholder's personal details together with his Account Number and the registered Share Certificate if applicable. Failure to provide any of the aforementioned information may result in delay of such application for redemption whilst verification is being sought from the shareholder.

Subject to the provisions explained below under "Temporary Suspension of Redemption", applications for redemption will be considered as binding and irrevocable by the Company and must be duly signed by all registered shareholders, save in the case of joint registered shareholders where an acceptable power of attorney has been provided to the Company.

Applications for redemption from all Sub-Funds must be received at the specified time determined in the relevant Appendices by the Registrar Agent before the redemption deadline (the "**Redemption Deadline**" as defined in the Appendix of each Sub-Fund), and will be processed on that Dealing Day. The Redemption Price being the Net Asset Value per Share calculated on the applicable Valuation Day, as defined in the relevant Appendices, and which will be based on the last available closing prices or other reference prices as specified in the relevant Appendices on the Valuation Day.

All applications for redemption will be dealt at an unknown Net Asset Value ("forward pricing").

Different time limits may apply if redemption for Shares are made through a Distributor/Nominee and/or any intermediary (including but not limited to correspondent banks which may be appointed in any given country) but in any case, the Nominee/Distributor and/or the intermediary will make sure that on a given Dealing Day (as defined in the Appendix of each Sub-Fund), redemption orders are received by the Registrar Agent before the Redemption Deadline. No Distributor/Nominee or intermediary is permitted to withhold redemption orders to benefit personally from a price change. Investors should note that they might be unable to purchase or redeem Shares through a Distributor/Nominee and/or an intermediary on days that such Distributor/Nominee is not open for business.

A redemption charge may be levied as more fully described in the relevant Appendices.

Any application for redemption received after the Redemption Deadline on the relevant Dealing Day will be processed on the next Dealing Day on the basis of the Net Asset Value per Share determined on the following Valuation Day.

A confirmation statement will be sent to the shareholder detailing the redemption proceeds due thereto as soon as reasonably practicable after determination of the Redemption Price of the Shares being redeemed. Shareholders should check this statement to ensure that the transaction has been accurately recorded.

The Redemption Price of Shares in any Class may be higher or lower than the Initial Subscription Price paid by the shareholder depending on the Net Asset Value per Share of the Class at the time of redemption.

Payment for Shares redeemed will be effected in the delay determined in the relevant Appendices. If necessary, the Administrative Agent will arrange the currency transaction required for conversion of the redemption monies from the Reference Currency of the relevant Class into the relevant Subscription Currency. Such currency transaction will be effected with the Custodian Bank at the relevant shareholder's cost.

The Board of Directors reserves the right to delay further payment without interest accruing, if market conditions are unfavourable, and it is, in the Board of Directors' reasonable opinion, in the best interest of the remaining shareholders. However, the delay for the payment of redeemed Shares will not exceed 5 Business Days after the relevant Valuation Day.

All redeemed Shares shall be cancelled by the Company.

Redemption in kind

With the consent of or upon request of the shareholder(s) concerned, the Board of Directors may (subject to the principle of equal treatment of shareholders) satisfy redemption requests in whole or in part in kind by allocating to the redeeming shareholders investments from the portfolio set up in connection with the relevant Sub-Fund in value equal to the Net Asset Value attributable to the Shares to be redeemed. Such redemption will, if required by law or regulation, be subject to a special audit report by the approved statutory auditor of the Company confirming the number, the denomination and the value of the assets which the Board of Directors will have determined to be contributed in counterpart of the redeemed Shares. The costs for such redemptions in kind, in particular the costs of the special audit report, will be borne by the shareholder requesting the redemption in kind or by a third party, but will not be borne by the Company unless the Board of Directors considers that the redemption in kind is in the interest of the Company or made to protect the interests of the Company. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares in the relevant Sub-Fund.

Temporary Suspension of Redemption

The right of any shareholder to require the redemption of its Shares of the Company will be suspended during any period in which the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended by the Company pursuant to the powers as discussed under paragraph "Temporary Suspension of Calculation of the Net Asset Value". Notice of the suspension period will be given to any shareholder tendering Shares for redemption. Withdrawal of an application for redemption will only be effective if written notification is received by the Registrar Agent before termination of the period of suspension, failing which the Shares in question will be redeemed on the first Dealing Day following the end of the suspension period on the basis of the next Net Asset Value per Share determined.

Compulsory Redemption

If the Company discovers at any time that Shares are owned by a Prohibited Person or a US Person, either alone or in conjunction with any other person, whether directly or indirectly, the Board of Directors may at their discretion and without liability, compulsorily redeem the Shares at the Redemption Price as described above after giving notice of at least ten calendar days, and upon redemption, the Prohibited Person or the US Person will cease to be the owner of those Shares. The Company may require any shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person or a US Person.

Procedures for redemptions and conversions representing 10% or more of the net assets of any Sub-Fund

If any application for redemption or conversion is received in respect of any one Valuation Day (the "**First Valuation Day**"), which either singly or when aggregated with other such applications so received, represents more than 10% of the Net Asset Value of any Sub-Fund, the Company reserves the right, in its sole and absolute discretion and without liability (and in the reasonable opinion of the Board of Directors to do so is in the best interest of the remaining shareholders), to scale down pro rata each application with respect to such First Valuation Day so that not more than 10% of the Net Asset Value of the Sub-Funds be redeemed or converted on such First Valuation Day.

To the extent that any application for redemption or conversion is not given full effect on such First Valuation Day by virtue of the exercise by the Company of its power to pro-rate applications, such application shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the shareholder in question in respect of the next Valuation Day and, if necessary, subsequent Valuation Days, until such application shall have been satisfied in full.

With respect to any application received in respect of the First Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to the First Valuation Day, but subject thereto shall be dealt with as set out above.

Conversion of Shares

Unless otherwise mentioned in the Appendices, conversions of Shares between Sub-Funds and between Classes of Shares are possible as detailed hereunder. Also, unless otherwise mentioned in the Appendices, no conversion charge will be levied.

Shareholders may convert all or part of their Shares into Shares of another Class of the same Sub-Fund or of other Sub-Funds by application in writing or by fax to the Registrar Agent or the Nominee, stating which Shares are to be converted into which Sub-Funds and/or Classes.

The application for conversion must include either the monetary amount the shareholder wishes to convert or the number of Shares the shareholder wishes to convert. In addition, the application for conversion must include the shareholder's personal details together with his Account Number, (and if applicable) the registered Share Certificate.

Failure to provide any of this information may result in delay of the application for conversion.

Applications for conversion must be received by the Registrar Agent in the delay described in the relevant Appendices before the conversion deadline, which is 1.00 p.m. in Luxembourg (the "**Conversion Deadline**" as defined in the Appendix of each Sub-Fund), and will be processed on that Dealing Day, using the Net Asset Value calculated on the applicable Valuation Day, as defined in the relevant Appendices, which will be based on the last available closing prices or other reference prices as specified in the relevant Appendices on such Valuation Day.

All applications for conversion will be dealt at an unknown Net Asset Value ("forward pricing").

Any application received after the Conversion Deadline on a Dealing Day will be processed on the next Dealing Day, on the basis of the Net Asset Value per Share determined on the following Valuation Day.

Applications for conversions may be subject to additional procedures set forth under paragraph "Procedures for Redemptions and Conversions Representing 10% or more of the net assets of any Sub-Fund".

The rate at which all or part of the Shares in an original Sub-Fund are converted into Shares in a new Sub-Fund or a new Class of Shares is determined in accordance with the following formula:

$$A = \frac{(B \times C \times D)}{E}$$

where:

A A is the number of Shares to be allocated in the new Sub-Fund / Class;

B B is the number of Shares of the original Sub-Fund / Class to be converted;

C C is the Net Asset Value per Share of the original Sub-Fund / Class on the relevant Valuation Day;

D D is the actual rate of exchange on the day concerned in respect of the Reference Currency of the original Sub-Fund / Class and the Reference Currency of the new Sub-Fund / Class;

E E is the Net Asset Value per Share of the new Sub-Fund / Class on the relevant Valuation Day.

Following such conversion of Shares, the Administrative Agent will inform the shareholder of the number of Shares of the new Sub-Fund / Class obtained by conversion and the price thereof.

<u>**Company Charges**</u>

The Company will pay a Global Administration and Management Fee, as a percentage of its Net Asset Value, to the Management Company at such rate as described in the Appendices to this Prospectus.

The Management Company may also receive a performance fee as described in the Appendices to this Prospectus.

The Management Company shall remunerate the Administrator, the Registrar Agent and the Custodian Bank for their services out of the Global Administration and Management Fee or as described in the Appendices.

Except for the "*taxe d'abonnement*" which shall be borne by the Company, the Management Company will also pay out of the Global Administration and Management Fee all other expenses which include, without limitation, taxes, expenses for legal and auditing services, costs of any proposed listings, maintaining such listings, printing Share Certificates, shareholders' reports, Prospectuses, KIIDs, translation costs, all reasonable out-of-pocket expenses of the members of the Board of Directors, registration fees and other expenses payable to supervisory authorities in any relevant jurisdictions, insurance costs, interests, brokerage costs and the costs of publication of the Net Asset Value per Share of each Sub-Fund (the "**Other Charges and Expenses**"). The Management Company has also borne the Company's formation expenses.

The allocation of costs and expenses to be borne by the Company between the various Sub-Funds will be made in accordance with the Articles of Incorporation of the Company.

Notwithstanding the foregoing, any Other Charges and Expenses which may not be borne by the Company or a Sub-Fund due to regulatory considerations in any of the jurisdictions in which the Company or a Sub-Fund is authorised for distribution to the public, shall be borne by the Management Company.

Distribution Policy

Unless otherwise mentioned in the Appendices, the Company does intend to distribute neither its investment income nor the net capital gains realised as the management of the Company is oriented towards capital gains. The Board of Directors shall therefore recommend the reinvestment of the results of the Company and as a consequence no dividend shall be paid to shareholders.

In any case, no distribution of dividends may be made if, as a result, the share capital of the Company would fall below the minimum capital required by the Luxembourg law.

Notwithstanding, the Board of Directors may propose to the Annual General Meeting of Shareholders the payment of a dividend if it considers it is in the interest of the Shareholders; in this case, subject to approval of the Shareholders, a cash dividend may be distributed out of the available net investment income and the net capital gains of the Company.

Upon proposal of the Board of Directors, the Annual General Meeting of Shareholders may also decide to distribute to the Shareholders a dividend in the form of Shares of one or more Sub-Funds, in proportion to the existing Shares of the same Sub-Fund, if any, already held by each Shareholder.

In relation to the Distribution Shares existing in certain Sub-Funds (please refer to Appendices), it is intended that the Company may distribute dividends in the form of cash in the relevant Sub-Fund's Reference Currency. Annual dividends are declared separately in respect of such Distribution Shares at the Annual General Meeting of Shareholders. In addition, the Directors may declare interim dividends.
The Board of Directors may decide also that dividends be automatically reinvested by the purchase of further Shares. In such case, the dividends will be paid to the Registrar Agent who will reinvest the money on behalf of the Shareholders in additional Shares of the same Class. Such Shares will be issued on the payment date at the Net Asset Value per Share of the relevant Class in non-certificated form. Fractional entitlements to registered Shares will be recognised for each Class according to the mention determined in the relevant Appendix.

Declared dividends not claimed within five years of the due date will lapse and revert to the Company. No interest shall be paid on a dividend declared and held by the Company at the disposal of its beneficiary.

Taxation

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

Taxation of the Company

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Company is however subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% per annum based on its Net Asset Value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% per annum is applicable to 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.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, and, (iv) UCITS and UCIs subject to the part II of the 2010 Law qualifying as exchange traded funds.

Withholding tax

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

Distributions made by the Company are not subject to withholding tax in Luxembourg.

The Company is not subject to net wealth tax.

Taxation of the Shareholders

Luxembourg resident individuals

Capital gains realised on the sale of the Shares by Luxembourg resident individuals investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

(i) the Shares are sold before or within 6 months from their subscription or purchase; or
(ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller, alone or with his/her spouse and underage children, has participated either directly or indirectly at any time during the five years preceding the date of the disposal in the ownership of more than 10% of the capital or assets of the company.

Distributions made by the Company will be subject to income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 43.6%. An additional temporary income tax of 0,5% (*impôt d'équilibrage budgétaire temporaire*) will be due by Luxembourg resident individuals subject to Luxembourg State social security scheme in relation to their professional and capital income.

Luxembourg resident corporate

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 29.22% (in 2015 for entities having their registered office in Luxembourg-City) on the distribution received from the Company and the gains received upon disposal of the Shares.

Luxembourg resident corporate investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment subject to the 2010 Law, (ii) specialized investment funds subject to the law of 13 February 2007 on specialised investment funds, or (ii) family wealth management companies subject to the law of 11 May 2007 on family wealth management companies, are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realized thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the Shares is (i) a UCI subject to the 2010 Law, (ii) a vehicle governed by the law of 22 March 2004 on securitization, (iii) a company governed by the law of 15 June 2004 relating to the investment company in risk capital, (iv) a specialized investment fund subject to the law of 13 February 2007 on specialised investment funds or (v) a family wealth management company subject to the law of 11 May 2007 on family wealth management companies. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%.

Non Luxembourg residents

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

European Savings Directive

The Council of the European Union (the "**EU**") has adopted on 3 June 2003 a Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"). Under the Savings Directive, EU Member States (the "**Member States**") are required to provide the tax authorities of another Member State with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain residual entities (within the meaning of the Savings Directive) established, in that other Member State.

Under the Luxembourg law dated 21 June 2005 (the "**2005 Law**"), implementing the Savings Directive, as amended by the Law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU ("**Territories**"), a Luxembourg-based paying agent is required as from 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the Territories, and certain personal details on the beneficial owner. Such details will be provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

Under current legislation, distributions by the Company will fall within the scope of the Savings Directive if the Company invests 15 % or more of its assets in debt claims (within the meaning of the Savings Directive).

Payment of proceeds upon the sale, refund or redemption of Shares in the Company will fall within the scope of the 2005 Law if the Company invests directly or indirectly 25 % or more of its assets in debt claims within the meaning of the 2005 Law.

However, on 24 March 2014 the Council of the European Union adopted Council Directive 2014/48/EU amending the Savings Directive (the "Amending Directive"). Member States have to adopt and publish by 1 January 2016, the laws, regulations and administrative provisions necessary to comply with the Amending Directive. The Amending Directive enlarges inter alia the scope of the Savings Directive by extending the definition of interest payments and will cover income distributed by or income realised upon the sale, refund or redemption of shares or units in undertakings for collective investment or other collective investment funds or schemes, that either are registered as such in accordance with the law of any of the Member States or of the countries of the European Economic Area which do not belong to the EU, or have fund rules or instruments of incorporation governed by the law relating to collective investment funds or schemes of one of these States or countries, irrespective of the legal form of such undertakings, funds or schemes and irrespective of any restriction to a limited group of investors, in case such undertakings, funds or schemes invest, directly or indirectly, a certain percentage of their assets in debt claims as defined under the amended Savings Directive.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the Amending Directive.

<u>The Company - General Information</u>

The Company has been incorporated on 7th June 2006 under Luxembourg laws as a *société d'investissement à capital variable* for an unlimited period of time with a constitutive capital of EUR 31,000 under Part I of the 2010 Law. Its registered office is established in Luxembourg.

The capital of the Company must reach the minimum capital required by the 2010 Law within the first six months following its incorporation.

The Company's articles of incorporation have been deposited with the *Registre de Commerce et des Sociétés* of Luxembourg and have been published in the *Mémorial C*, *Recueil des Sociétés et Associations* (the "***Mémorial***") of 22nd June 2006. The Articles of Incorporation were last amended on 25th May 2012.

The Company has been registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 116 875.

The Articles of Incorporation may be amended from time to time by a general meeting of shareholders, subject to the quorum and majority requirements provided by the laws of Luxembourg.

The Company is established as an umbrella fund and will issue Shares in different Classes in the different Sub-Funds. The Directors shall maintain for each Sub-Fund a separate portfolio.

Vis-à-vis third parties, the Company shall constitute one single legal entity, but by derogation from article 2093 of the Luxembourg Civil Code, the assets of a particular Sub-Fund are only applicable to the debts, engagements and obligations of that Sub-Fund. The assets, commitments, charges and expenses which cannot be allocated to one specific Sub-Fund will be charged to the different Sub-Funds proportionally to their respective net assets, and prorata temporis, if appropriate due to the amounts considered.
In relation between shareholders, each Sub-Fund is treated as a separate legal entity.

For consolidation purposes, the base currency of the Company is the EURO.

Management and Administration

The Board of Directors

The board of directors of the Company (the "**Board of Directors**"), whose members' names (the "**Directors**") appear on the page "Directory" of this Prospectus, is responsible for the information contained in this Prospectus. They have taken all reasonable care to ensure that at the date of this Prospectus, the information contained herein is accurate and complete in all material respects. The Board of Directors accepts responsibility accordingly.

Despite the delegation by the Company of the management and administration functions to the Management Company (as described in the next paragraph), the Board of Directors remains responsible for the Company's management, control, administration and the determination of its overall investment objectives and policies.

There are no existing or proposed service contracts between any of the Directors and the Company, although the Directors are entitled to receive remuneration in accordance with usual market practice.

The Management Company

The Board of Directors has designated Lyxor Asset Management Luxembourg S.A. to act as management company (the "**Management Company**") under Chapter 15 of the 2010 Law.

The Management Company has been incorporated on 14th April 2005 for an unlimited period. Its registered office is established in Luxembourg.

The initial capital was one million euros. The articles of incorporation of the Management Company were published in the *Mémorial* n° 822 as of 25th August 2005. It is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under reference B 107253.

The Management Company has been designated pursuant to a main delegation agreement concluded between the Management Company and the Company entered into on 7th June 2006 as may be amended from time to time.

Lyxor Asset Management Luxembourg S.A. has assigned to Lyxor Asset Management S.A.S. ("**Lyxor**") its rights and obligations under the Main Delegation Agreement as from 1st February 2014 and the Board of Directors has approved the appointment of Lyxor Asset Management S.A.S. as Management Company as from such date.

Lyxor Asset Management S.A.S. was incorporated on May 19, 1998 for ninety nine years as from this date. Its registered office is established in France.

The capital is one hundred and sixty one million one hundred and six thousand three hundred Euros (EUR 161, 106, 300.00). The articles of incorporation of Lyxor Asset Management S.A.S. were published in the R.C.S Nanterre – France as of May 19, 1998. It is registered with the R.C.S. under number 418 862 215.

The Management Company's main object is the management, the administration and the marketing of UCITS as well as UCIs.

The Management Company shall be in charge of the management and administration of the Company and the distribution of Shares in Luxembourg and abroad.

The Management Company has adopted various policies and procedures in accordance with applicable Luxembourg laws and regulations. Shareholders may, in accordance with said laws and regulations, obtain summaries of such policies and procedures.

The Investment Manager

For each Sub-Fund, the Management Company may delegate its asset management functions to an Investment Manager. The Investment Manager will, at its discretion, on a day-to-day basis but subject to the overall control and responsibility of the Management Company, purchase and sell securities as agent for the Company and otherwise manage the portfolio of the relevant Sub-Fund for the account and in the name of the Company in relation to specific transactions.

The Investment Manager is entitled to receive as remuneration for its services a fee as specified in the relevant appendix dedicated to the Sub-Fund.

For each Sub-Fund, the Investment Manager may delegate its duties, or part of it, to one or several Sub-Investment Managers. If so, the identity and experience of the Sub-Investment Managers will be fully described in the appendix dedicated to the Sub-Fund.

The Distributor and Nominee Agent

The Management Company, may delegate under its responsibility and control to one or several banks, financial institutions and other authorised Intermediaries as distributors and nominees to offer and sell the Shares to investors and handle the subscription, redemption, conversion or transfer requests of shareholders. Subject to the law of the countries where Shares are offered, such Intermediaries may, with the agreement of the Board of Directors, and the Custodian Bank, act as nominees for the investor.

In this capacity, the Intermediary shall apply for the subscription, conversion or redemption of Shares for the account of its client and request registration of such operations in the Sub-Fund's Shares' register in the name of the Intermediary.

Notwithstanding the foregoing, a shareholder may invest directly in the Company without using the services of a nominee. The agreement between the Company and any nominee shall contain a provision that gives the shareholder the right to exercise its title to the Shares subscribed through the nominee. The Nominee Agent will have no power to vote at any general meeting of shareholders, unless the shareholder grants it a power of attorney in writing his authority to do so.

An investor may ask at any time in writing that the Shares shall be registered in his name and in such case, upon delivery by the investor to the Registrar Agent of the relevant confirmation letter of the Nominee, the Registrar Agent shall enter the corresponding transfer and investors' name into the shareholder register and notify the Nominee Agent accordingly.

However, the aforesaid provisions are not applicable for shareholders who have acquired Shares in countries where the use of the services of a nominee (or other Intermediary) is necessary or compulsory for legal, regulatory or compelling practical reasons.

In relation to any subscription, an Intermediary authorised to act as nominee is deemed to represent the Directors that:

a) The investor is not a US Person;

b) It will notify the Board of Directors and the Registrar Agent immediately if it learns that an investor has become a US Person;

c) In the event that it has discretionary authority with respect to Shares which become beneficially owned by a US Person, the Intermediary will cause such Shares to be redeemed and;

d) It will not knowingly transfer or deliver any Shares or any part thereof or interest therein to a US Person nor will any Shares be transferred to the United States.

The Board of Directors may, at any time, require Intermediaries who act as nominees to make additional representations to comply with any changes in applicable laws and regulations.

The list of Nominee Agents is available at the registered office of the Company.

The Custodian Bank and Paying Agent

Pursuant to a Custody and Paying Agent Agreement dated 1st January 2007, as amended from time to time, the Company has appointed Société Générale Bank & Trust S.A. as custodian bank and paying agent (the "**Custodian Bank**") of the assets of the Company, which are held either directly by the Custodian Bank or under its control and responsibility through correspondent banks appointed from time to time.

The Custodian Bank in particular ensures that:

a) the sale, issue, redemption, conversion and cancellation of the Shares effected by or on behalf of the Company are carried out in accordance with the Luxembourg law and the Articles of Incorporation of the Company;

b) in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits; and

c) the income of the Company is applied in accordance with its Articles of Incorporation.

Under the Custody and Paying Agent Agreement, all securities, cash and other assets of the Company are entrusted to the Custodian Bank.

The Custody and Paying Agent Agreement may be terminated by either party upon three months' prior written notice or immediately in certain circumstances.

The Administrative, Corporate and Domiciliary Agent

Pursuant to a novation agreement effective as of 1st August 2014 entered into between Société Générale Bank & Trust S.A, Société Générale Securities Services Luxembourg S.A. (formerly EURO-VL Luxembourg S.A.) and the Management Company, Société Générale Bank & Trust S.A has been appointed by the Management Company under its responsibility and control to act as Administrative, Corporate and Domiciliary Agent of the Company (the "**Administrative Agent**").

Société Générale Bank & Trust S.A is a « société anonyme » incorporated under the law of the Grand Duchy of Luxembourg and having its registered office at 11, avenue Emile Reuter, L–2420 Luxembourg and its operational center at 28-32, Place de la Gare, L-1616 Luxembourg.

The Administrative Agent is responsible for, *inter alia*, the daily determination of the Net Asset Value of each Class of the Shares of each Sub-Fund, the proper book-keeping of the Company and all other administrative functions as required by the laws of the Grand Duchy of Luxembourg and as further described in the aforementioned agreement.

The aforementioned agreement may be terminated by either party upon ninety days' prior written notice or immediately in certain circumstances.

The Registrar and Transfer Agent

European Fund Services S.A. has been designated by the Directors of the Management Company under its responsibility and control pursuant to an agreement with the Management Company dated 1st January 2007, to act as Registrar and Transfer Agent of the Company.

European Fund Services S.A. is a Luxembourg limited company (*société anonyme*) and a member of the Société Générale Group.

It has its registered office in Luxembourg at 28-32 Place de la Gare, L-1616 Luxembourg.

The Registrar Agent will be responsible for handling the processing of subscriptions for Shares, dealing with requests for redemptions and conversions and accepting transfers of funds, for the safekeeping of the shareholders register of the Company, the delivery of Share Certificates, if requested, the safekeeping of all non-issued Share Certificates of the Company, for accepting Share Certificates rendered for replacement, redemption or conversion and for providing and supervising the mailing of reports, notices and other documents to the shareholders, as further described in the above mentioned agreement.

Dissolution and Liquidation of the Company

The Company may at any time be dissolved by a resolution taken by the general meeting of shareholders subject to the quorum and majority requirements as defined in the Articles of Incorporation of the Company.

Whenever the capital falls below two thirds of the minimum capital as provided by the 2010 Law, the Board of Directors has to submit the question of the dissolution and liquidation of the Company to the general meeting of shareholders. The general meeting, for which no quorum shall be required, shall decide on simple majority of the votes of the Shares presented and voting at the meeting.

The question of the dissolution and liquidation of the Company shall also be referred to the general meeting of shareholders whenever the capital falls below one quarter of the minimum capital. In such event, the general meeting shall be held without quorum requirements and the dissolution may be decided by the shareholders holding one quarter of the votes present or represented at that meeting.

The meeting must be convened so that it is held within a period of forty days from when it is ascertained that the net assets of the Company have fallen below two thirds or one quarter of the legal minimum as the case may be.

The issue of new Shares by the Company shall cease on the date of publication of the notice of the general meeting of shareholders, to which the dissolution and liquidation of the Company shall be proposed.

This notice will be published in at least two newspapers one of which is in Luxembourg.

One or more liquidators shall be appointed by the general meeting of shareholders to realise the assets of the Company, subject to the supervision of the relevant supervisory authority in the best interests of the shareholders.

The proceeds of the liquidation of each Sub-Fund, net of all liquidation expenses, shall be distributed by the liquidators among the holders of Shares in each Class in accordance with their respective rights. The amounts not claimed by shareholders at the end of the liquidation process shall be deposited, in accordance with Luxembourg law, with the *Caisse de Consignation* in Luxembourg until the statutory limitation period has lapsed.

Termination of a Sub-Fund

The Directors may decide at any moment the termination of any Sub-Fund. In the case of termination of a Sub-Fund, the Directors may offer to the shareholders of such Sub-Fund the conversion of their Class of Shares into Class of Shares of another Sub-Fund, under terms fixed by the Directors, or the redemption of their Shares for cash at the Net Asset Value per Share (including all estimated expenses and costs relating to the termination) determined on the Valuation Day as described under paragraph "Redemption of Shares".

In the event that for any reason the value of the assets in any Sub-Fund or any Class of Shares within a Sub-Fund has decreased below 10 million Euros or any other amount determined by the Directors as mentioned in the Appendix to be the minimum level for such Sub-Fund or such Class of Shares to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Sub-Fund concerned would have material adverse consequences on the investments of that Sub-Fund, the Directors may decide to compulsorily redeem all the Shares of the relevant Classes issued in such Sub-Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated on the Valuation Day at which such decision shall take effect.

The Company shall serve a notice to the shareholders of the relevant Classes of Shares in writing prior to the effective date for such Compulsory Redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Unless it is otherwise decided in the interests of, or to maintain equal treatment between, the shareholders, the shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their shares free of charge, taking into account actual realisation prices of investments and realisation expenses and prior to the date effective for the compulsory redemption.

Any request for subscription shall be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Sub-Fund or Class of Shares.

Notwithstanding the powers conferred on the Board of Directors by the first paragraph hereof, the general meeting of shareholders of any one Class of Shares issued in a Sub-Fund may, upon proposal from the Directors, redeem all the Shares issued in such Sub-Fund and refund to the shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders that shall decide by resolution taken by simple majority of those present or represented.

Assets which may not be distributed to their owners upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled thereafter by the Company.

Amalgamation, Division or Transfer of Sub-Funds

The Directors may decide, under the same conditions of the preceding paragraph, at any moment to reorganise a Sub-Fund or Class by means of a division into two or more Sub-Funds or Classes.

The Board of Directors may decide to consolidate a Class of any Sub-Fund. The Board of Directors may also submit the question of the consolidation of a Class to a meeting of holders of such Class. Such meeting will resolve on the consolidation with a simple majority of the votes cast.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraphs, a general meeting of shareholders of any Sub-Fund (or Class as the case may be) may, upon proposal from the Board of Directors, decide (i) that all Shares of such Sub-Fund shall be redeemed and the Net Asset Value of the Shares (taking into account actual realisation prices of investments and realisation expenses) refunded to Shareholders, such Net Asset Value calculated as of the Valuation Day at which such decision shall take effect, (ii) upon the division of a Sub-Fund or the division, consolidation or amalgamation of Classes of Shares in the same Sub-Fund. There shall be no quorum requirements for such general meeting of Shareholders at which resolutions shall be adopted by simple majority of the votes cast if such decision does not result in the liquidation of the Company. Liquidation proceeds not claimed by the shareholders at the close of the liquidation of a Sub-Fund will be deposited at the Caisse de Consignation in Luxembourg. If not claimed they shall be forfeited in accordance with Luxembourg Law.

A merger of a Sub-Fund with a Sub-Fund of the Company or with a sub-fund of another UCITS, whether subject to Luxembourg law or not, may be decided by the Board of Directors. Shareholders will be informed at least 30 days prior to the last day on which redemptions free of charge may be requested. The Board of Directors may submit the question of the merger of a Sub-Fund to a general meeting of Shareholders of that Sub-Fund. No quorum is required for such meeting and decisions are taken by a simple majority of the votes cast.

In case of a merger of a Sub-Fund or the Company where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders resolving by a simple majority of the votes cast without a quorum.

Any merger of a Sub-Fund shall be subject to the provisions on mergers set forth in the 2010 Law and any implementing regulation.

General Meetings

The annual general meeting of shareholders will be held at the registered office of the Company on the first Friday of April of each year (or the immediately next Luxembourg Business Day if this day is not a Business Day) at 10:00 a.m.

Shareholders in any Sub-Fund may hold, at any time, general meetings to decide on any matters that relate exclusively to such Sub-Fund. In addition, the shareholders of any Class of Shares may hold, at any time, general meetings to decide on any matters that relate exclusively to such Class of Shares.

Notices of all general meetings are sent by mail to all registered shareholders at their registered address at least eight days prior to such meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majority at such meeting.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the company. Investors are advised to take advice on their rights.

Annual and Semi-annual Reports

Audited Annual Reports and unaudited Semi-annual Reports will be made available for public inspection at each of the registered offices of the Company and the Administrative Agent within four, respectively two months following the relevant accounting period, and the latest Annual Report shall be available at least eight days before the annual general meeting. The Company's financial year ends on 31st December of each year.

Documents Available for Inspection

Copies of the following documents may be inspected free of charge during usual business hours on any weekday (Saturday and public holidays excepted) at the registered office of the Company, 28-32, Place de la Gare, L-1616 Luxembourg, Grand Duchy of Luxembourg:

1. The Articles of Incorporation of the Company;

2. The KIIDs;

3. The Main Delegation Agreement;

4. The Custody and Paying Agent Agreement;

5. The novation agreement appointing Société Générale Bank & Trust S.A. as Administrative, Corporate and Domiciliary Agent as from 1st August 2014;

6. The Registrar Agent Agreement;

7. The last audited Annual Report and the Semi-annual Report of the Company.

8. The novation agreements appointing Lyxor Asset Management S.A.S. as Management Company as from the 1st February 2014.

A copy of the documents listed above may be delivered without cost to interested investors at their request.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in Luxembourg, and are subject to changes in those laws and practice.

APPENDICES

APPENDIX 1

Lyxor Quantitative Fund ABSOLUTE RETURN MULTI ASSET 3

The Reference Currency of the Sub-Fund is the Euro (EUR).

INVESTMENT OBJECTIVE

The **Lyxor Quantitative Fund ABSOLUTE RETURN MULTI ASSET 3** Sub-Fund's investment objective is to provide a net capital appreciation (taking into account all fees and expenses attributable to the Sub-Fund) above EONIA or the equivalent money market rate in the relevant currency of the Class of Shares, over a 3 to 5 year horizon with a level of annual volatility lower than 3%.

The Sub-Fund has an absolute return approach to generate a performance in most market environments. It will invest in a diversified portfolio of very liquid instruments.

INVESTMENT POLICY

The Sub-Fund seeks to achieve its objective by using a dynamic asset allocation process on a broad and diversified set of liquid asset classes.

The Sub-Fund will invest in eligible assets, including but not limited to equities, bonds, derivative instruments such as (but not limited to) listed futures or securities linked notably to various equity indices and/or sovereign bonds and/or currencies, and/or commodities indices, currencies forward, index swap instruments, interest rate swap instruments, Exchange Traded Funds, UCI's, and money market instruments.

More specifically the Sub-Fund will use a Core-Satellite investment process.

The Core is the centrepiece of the portfolio. The Core is a diversified portfolio invested in equity, fixed-Income and listed futures or securities linked to commodities indices: it corresponds to the directional exposures (beta) of the portfolio.

The Core will be determined pursuant to the Strategic Allocation and the Tactical Allocation as follows:

- *Strategic Allocation is based on:*
  - Risk budgeting methodology
    - The risk is split among asset classes to obtain a diversified and risk balanced portfolio.
  - According notably to
    - Market volatility
    - Market cross-correlation

- *Tactical Allocation:*
  - Modulate the Strategic Allocation based, among other things, on a trend-following analysis and a global macro analysis
  - According notably to
    - Market volatility
    - Market prices
    - Macroeconomic indicators.

The Satellite is composed of strategies aiming at generating additional returns (alpha). Allocation within Satellite components relies on a risk budgeting methodology.

The Core and the Satellite of the Sub-Fund will be monitored by a stringent risk control process, on a daily basis, in order to maintain the annualized volatility of the Sub-Fund below 3%.

The Sub-Fund will endeavour to maintain its overall exposure to the following diversification criteria:
- *Exposure to global equity markets between 0% and 40% of the Net Asset Value;*
- *Exposure to developed markets investment grade bonds between 0% and 80% of the Net Asset Value (excluding cash positions invested in short-term government bonds);*
- *Exposure to non-investment grade bond markets between 0% and 10% of the Net Asset Value;*
- *Exposure to global commodities markets between 0% and 10% of the Net Asset Value.*

In order to ensure best execution of the Sub-Fund's main transactions in its underlying investments, the Management Company intends to pursue competitive bidding with first class financial institutions.

The valuation of the over-the-counter financial derivative instruments will be provided by the counterparty but the Management Company will make their own independent valuation thereof. Such counterparty will not assume any discretion over the composition of the Sub-Fund's assets underlying of the over-the-counter financial derivative instruments, which are managed by the Management Company.

The composition of the underlying index of index-based financial derivative instruments is usually reviewed and rebalanced on a weekly, monthly, quarterly or semi-annual basis. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the Sub-Fund.

Despite all measures taken by the Company to reach its objectives, these are subject to independent risk factors like changes in the fiscal or commercial regulations. No guarantee whatsoever may be offered to the investor in this regard.

More than 35% of the Sub-Fund's net assets may include money market instruments and transferable securities issued or guaranteed by OECD countries in accordance with section A.5) of Investment Powers and Restrictions above.

The Sub-Fund will not invest more than 10% of its net assets into UCIs.

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592), any transactions including efficient portfolio management techniques such as reverse repurchase agreements which consist of transactions whereby, at maturity, the seller (the counterparty) has the obligation to repurchase the asset sold to the Sub-Fund and the Sub-Fund has the obligation to return the asset bought under the terms of the agreement.

The counterparty to these transactions will be Société Générale.

Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

Within the limits set forth in this Prospectus and on an ancillary basis, the Sub-Fund may hold cash and cash equivalents.

ELIGIBILITY OF THE SUB-FUND

According to the investment objective and policy described above, the Sub-Fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

TARGETED INVESTORS

The Sub-Fund is offered to investors wishing to have a diversified exposure to financial markets while benefiting from an enhanced performance.

RISK MANAGEMENT

The global exposure determination methodology used for risk monitoring of this Sub-Fund is the absolute VaR approach. The expected level of leverage (calculated as the sum of notionals of the derivatives used) of the Sub-Fund is about 70% based on historical observation and is not expected to exceed 100%.

CLASSES OF SHARES

The Sub-Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

Class M (EUR) Class M (USD) Class M (GBP) Class M (CHF) Class M (JPY) Class M (SEK) Class M (NOK) Class M (SGD) Class M (HKD) Class M (CAD) Class M (DKK) Class M (BRL) Class M (RMB)	Class A (EUR) Class A (USD) Class A (GBP) Class A (CHF) Class A (JPY) Class A (SEK) Class A (NOK) Class A (SGD) Class A (HKD) Class A (CAD) Class A (DKK) Class A (BRL) Class A (RMB)	Class I (EUR) Class I (USD) Class I (GBP) Class I (CHF) Class I (JPY) Class I (SEK) Class I (NOK) Class I (SGD) Class I (HKD) Class I (CAD) Class I (DKK) Class I (BRL) Class I (RMB)
Class B (EUR) Class B (USD)	Class D-B (EUR) Class D-B (USD)	

Class B (GBP) Class B (CHF) Class B (JPY) Class B (SEK)	Class D-B (GBP) Class D-B (CHF) Class D-B (JPY) Class D-B (SEK)	
Class D-M (EUR) Class D-M (USD) Class D-M (GBP) Class D-M (CHF) Class D-M (JPY) Class D-M (SEK) Class D-M (NOK) Class D-M (SGD) Class D-M (HKD) Class D-M (CAD) Class D-M (DKK) Class D-M (BRL) Class D-M (RMB)	Class D-A (EUR) Class D-A (USD) Class D-A (GBP) Class D-A (CHF) Class D-A (JPY) Class D-A (SEK) Class D-A (NOK) Class D-A (SGD) Class D-A (HKD) Class D-A (CAD) Class D-A (DKK) Class D-A (BRL) Class D-A (RMB)	Class D-I (EUR) Class D-I (USD) Class D-I (GBP) Class D-I (CHF) Class D-I (JPY) Class D-I (SEK) Class D-I (NOK) Class D-I (SGD) Class D-I (HKD) Class D-I (CAD) Class D-I (DKK) Class D-I (BRL) Class D-I (RMB)
Class SI (EUR) Class SI (USD) Class SI (GBP) Class SI (CHF) Class SI (JPY) Class SI (SEK) Class SI (NOK) Class SI (HKD)	Class D-SI (EUR) Class D-SI (USD) Class D-SI (GBP) Class D-SI (CHF) Class D-SI (JPY) Class D-SI (SEK) Class D-SI (NOK) Class D-SI (HKD)	

Class M and D-M Shares are only available to investors through distributors.

Class A, B, D-A and D-B Shares are available to all investors.

Class I and D-I Shares are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class S-I and D-SI Shares are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class M, A, I, B and SI Shares are Capitalisation Shares and Class D-M, D-A, D-I, D-B and D-SI Shares are Distribution Shares.

Shares will be issued in registered form.

Fractions of Shares will be issued to three decimal places.

In order to protect Shareholders of Classes not denominated in EUR from the impact of currency movements, assets which are denominated in EUR will be hedged back to the Class currency. The costs and effects of this hedging would be reflected in the Net Asset Value and in the performance of these Classes.

All references to RMB must be understood as a reference to offshore Renminbi ("CNH").

MINIMUM INVESTMENT

Initial minimum subscription amount:
Class A (EUR): EUR 1,000
Class A (USD): USD 1,000
Class A (GBP): GBP 1,000
Class A (CHF): CHF 1,000
Class A (JPY): JPY 100,000
Class A (SEK): SEK 10,000
Class A (NOK): NOK 10,000
Class A (SGD): SGD 1,500
Class A (HKD): HKD 10,000
Class A (CAD): CAD 1,500
Class A (DKK): DKK 5,000
Class A (BRL): BRL 2,500
Class A (RMB): RMB 10,000

Class I (EUR): EUR 500,000
Class I (USD): USD 500,000
Class I (GBP): GBP 500,000
Class I (CHF): CHF 500,000
Class I (JPY): JPY 50,000,000
Class I (SEK): SEK 5,000,000
Class I (NOK): NOK 5,000,000
Class I (SGD): SGD 1,000,000
Class I (HKD): HKD 5,000,000
Class I (CAD): CAD 500,000
Class I (DKK): DKK 5,000,000
Class I (BRL): BRL 1,000,000
Class I (RMB): RMB 5,000,000

Class B (EUR): EUR 250,000
Class B (USD): USD 250,000
Class B (GBP): GBP 250,000
Class B (CHF): CHF 250,000
Class B (JPY): JPY 25,000,000
Class B (SEK): SEK 2,500,000

Class M (EUR): EUR 100
Class M (USD): USD 100
Class M (GBP): GBP 100
Class M (CHF): CHF100
Class M (JPY): JPY 10,000
Class M (SEK): SEK 1,000
Class M (NOK): NOK 1,000
Class M (SGD): SGD 200
Class M (HKD): HKD 500
Class M (CAD): CAD 150
Class M (DKK): DKK 1,000
Class M (BRL): BRL 200
Class M (RMB): RMB 1,000

Class SI (EUR): EUR 75,000,000
Class SI (USD): USD 75,000,000
Class SI (GBP): GBP 75,000,000
Class SI (CHF): CHF 75,000,000
Class SI (JPY): JPY 7,500,000,000
Class SI (SEK): SEK 750,000,000
Class SI (NOK): NOK 750,000,000
Class SI (HKD): HKD 750,000,000

Class D-A (EUR): EUR 1000
Class D-A (USD): USD 1000
Class D-A (GBP): GBP 1000
Class D-A (CHF): CHF 1000
Class D-A (JPY): JPY 100,000
Class D-A (SEK): SEK 10,000
Class D-A (NOK): NOK 10,000
Class D-A (SGD): SGD 1,500
Class D-A (HKD): HKD 10,000
Class D-A (CAD): CAD 1,500
Class D-A (DKK): DKK 5,000
Class D-A (BRL): BRL 2,500
Class D-A (RMB): RMB 10,000

Class D-I (EUR): EUR 500,000
Class D-I (USD): USD 500,000
Class D-I (GBP): GBP 500,000
Class D-I (CHF): CHF 500,000
Class D-I (JPY): JPY 50,000,000
Class D-I (SEK): SEK 5,000,000
Class D-I (NOK): NOK 5,000,000
Class D-I (SGD): SGD 1,000,000
Class D-I (HKD): HKD 5,000,000
Class D-I (CAD): CAD 500,000
Class D-I (DKK): DKK 5,000,000
Class D-I (BRL): BRL 1,000,000
Class D-I (RMB): RMB 5,000,000

Class D-B (EUR): EUR 250,000
Class D-B (USD): USD 250,000
Class D-B (GBP): GBP 250,000
Class D-B (CHF): CHF 250,000
Class D-B (JPY): JPY 25,000,000
Class D-B (SEK): SEK 2,500,000

Class D-M (EUR): EUR 100
Class D-M (USD): USD 100
Class D-M (GBP): GBP 100
Class D-M (CHF): CHF100
Class D-M (JPY): JPY 10,000
Class D-M (SEK): SEK 1,000
Class D-M (NOK): NOK 1,000
Class D-M (SGD): SGD 200
Class D-M (HKD): HKD 500
Class D-M (CAD): CAD 150
Class D-M (DKK): DKK 1,000
Class D-M (BRL): BRL 200
Class D-M (RMB): RMB 1,000

Class D-SI (EUR): EUR 75,000,000
Class D-SI (USD): USD 75,000,000
Class D-SI (GBP): GBP 75,000,000
Class D-SI (CHF): CHF 75,000,000
Class D-SI (JPY): JPY 7,500,000,000
Class D-SI (SEK): SEK 750,000,000
Class D-SI (NOK): NOK 750,000,000
Class D-SI (HKD): HKD 750,000,000

Additional minimum subscription amount:

Class A (EUR): one Share
Class A (USD): one Share
Class A (GBP): one Share
Class A (CHF): one Share
Class A (JPY): one Share
Class A (SEK): one Share
Class A (NOK): one Share
Class A (SGD): one Share
Class A (HKD): one Share
Class A (CAD): one Share
Class A (DKK): one Share
Class A (BRL): one Share
Class A (RMB): one Share

Class I (EUR): one Share
Class I (USD): one Share
Class I (GBP): one Share
Class I (CHF): one Share
Class I (JPY): one Share
Class I (SEK): one Share
Class I (NOK): one Share
Class I (SGD): one Share
Class I (HKD): one Share
Class I (CAD): one Share
Class I (DKK): one Share
Class I (BRL): one Share
Class I (RMB): one Share

Class B (EUR): one thousandth of Share
Class B (USD): one thousandth of Share
Class B (GBP): one thousandth of Share
Class B (CHF): one thousandth of Share
Class B (JPY): one thousandth of Share
Class B (SEK): one thousandth of Share

Class M (EUR): one Share
Class M (USD): one Share
Class M (GBP): one Share
Class M (CHF): one Share
Class M (JPY): one Share
Class M (SEK): one Share
Class M (NOK): one Share
Class M (SGD): one Share

Class M (HKD): one Share
Class M (CAD): one Share
Class M (DKK): one Share
Class M (BRL): one Share
Class M (RMB): one Share

Class D-A (EUR): one Share
Class D-A (USD): one Share
Class D-A (GBP): one Share
Class D-A (CHF): one Share
Class D-A (JPY): one Share
Class D-A (SEK): one Share
Class D-A (NOK): one Share
Class D-A (SGD): one Share
Class D-A (HKD): one Share
Class D-A (CAD): one Share
Class D-A (DKK): one Share
Class D-A (BRL): one Share
Class D-A (RMB): one Share

Class D-I (EUR): one Share
Class D-I (USD): one Share
Class D-I (GBP): one Share
Class D-I (CHF): one Share
Class D-I (JPY): one Share
Class D-I (SEK): one Share
Class D-I (NOK): one Share
Class D-I (SGD): one Share
Class D-I (HKD): one Share
Class D-I (CAD): one Share
Class D-I (DKK): one Share
Class D-I (BRL): one Share
Class D-I (RMB): one Share

Class D-B (EUR): one thousandth of Share
Class D-B (USD): one thousandth of Share
Class D-B (GBP): one thousandth of Share
Class D-B (CHF): one thousandth of Share
Class D-B (JPY): one thousandth of Share
Class D-B (SEK): one thousandth of Share

Class D-M (EUR): one Share
Class D-M (USD): one Share
Class D-M (GBP): one Share
Class D-M (CHF): one Share
Class D-M (JPY): one Share
Class D-M (SEK): one Share
Class D-M (NOK): one Share
Class D-M (SGD): one Share
Class D-M (HKD): one Share
Class D-M (CAD): one Share
Class D-M (DKK): one Share
Class D-M (BRL): one Share
Class D-M (RMB): one Share

Class SI (EUR): one Share
Class SI (USD): one Share
Class SI (GBP): one Share
Class SI (CHF): one Share
Class SI (JPY): one Share
Class SI (SEK): one Share
Class SI (NOK): one Share
Class SI (HKD): one Share

Class D-SI (EUR): one Share
Class D-SI (USD): one Share
Class D-SI (GBP): one Share
Class D-SI (CHF): one Share
Class D-SI (JPY): one Share
Class D-SI (SEK): one Share
Class D-SI (NOK): one Share
Class D-SI (HKD): one Share

Minimum holding requirement:
none

The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount and the additional minimum subscription amount.

SUBSCRIPTION OF SHARES

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or the number of Shares and shall be centralised by the Registrar Agent before 12:00 (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for subscriptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares must be received by the Custodian Bank and Paying Agent not later than three Business Days after the relevant Valuation Day, except that the Board of Directors may decide otherwise.

REDEMPTION OF SHARES

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before 12:00 (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for redemptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares redeemed will be effected as soon as possible but not later than three Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made through intermediaries (including but not limited to correspondent banks appointed in any given country).

FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND.

- Subscription charge

A Subscription Charge of up to 1% of the Issue Price may be added to the Issue Price by distributors of the Shares of the Sub-Fund.

The Board of Directors reserves the right to waive Subscription Charges.

No Subscription Charge will be applied to Classes I, D-I, SI and D-SI Shares.

- Redemption charge

No Redemption Charge shall be levied on redemption requests for any of the Classes of Shares.

DISTRIBUTION POLICY

Distribution Shares: in relation to Distribution Shares the Sub-Fund intends to distribute on an annual basis dividends in the form of cash out of the investment income and/or of the net capital gains at the Management Company's discretion provided that the Board of Directors may decide to distribute interim dividends on a monthly, quarterly or other frequency basis. If investment income and the net capital gains are insufficient to pay distributions as declared, the Sub-Fund may determine such distributions be paid from capital.

DEFINITIONS

"Business Day": any full working day in Luxembourg, New York and in Paris when the banks are opened for business.

"Valuation Day": any day which is (i) Business Day and (ii) a day which is also a day where stock exchanges and regulated markets in countries where the Sub-Fund is materially exposed (more than 10% of the Sub-Fund's net assets) are open for trading. The days which are not Valuation Days will be available for the current year at the registered office of the Company and on the following website: www.lyxor.com.

"Subscription Deadline" and "Redemption Deadline": any Valuation Day at 12:00 (Luxembourg time) at the latest.

MANAGEMENT COMPANY FEE

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company will receive a Management Fee out of the assets of the Sub-Fund, monthly in arrears, as follows:

- Class M: up to 1.20 % per year (inclusive of VAT) of the Net Asset Value
- Class D-M: up to 1.20 % per year (inclusive of VAT) of the Net Asset Value
- Class A: up to 0.90 % per year (inclusive of VAT) of the Net Asset Value
- Class D-A: up to 0.90 % per year (inclusive of VAT) of the Net Asset Value
- Class B: up to 0.50 % per year (inclusive of VAT) of the Net Asset Value
- Class D-B: up to 0.50 % per year (inclusive of VAT) of the Net Asset Value
- Class I: up to 0.40 % per year (inclusive of VAT) of the Net Asset Value
- Class D-I: up to 0.40 % per year (inclusive of VAT) of the Net Asset Value
- Class SI: up to 0.40 % per year (inclusive of VAT) of the Net Asset Value
- Class D-SI: up to 0.40 % per year (inclusive of VAT) of the Net Asset Value

INITIAL NET ASSET VALUE

The initial Net Asset Value per Share at the launch date of the Sub-Fund or at any other date after such date, as may be determined by the Board of Directors at its discretion is given in the table below.

Class A (EUR): EUR 100
Class A (USD): USD 100
Class A (GBP): GBP 100
Class A (CHF): CHF 100
Class A (JPY): JPY 10,000
Class A (SEK): SEK 1,000
Class A (NOK): NOK 1,000
Class A (SGD): SGD 100
Class A (HKD): HKD 1,000
Class A (CAD): CAD 100
Class A (DKK): DKK 1,000
Class A (BRL): BRL 100
Class A (RMB): RMB 1,000

Class I (EUR): EUR 1,000
Class I (USD): USD 1,000
Class I (GBP): GBP 1,000
Class I (CHF): CHF 1,000
Class I (JPY): JPY 100,000
Class I (SEK): SEK 10,000
Class I (NOK): NOK 10,000
Class I (SGD): SGD 1,000

Class I (HKD): HKD 10,000
Class I (CAD): CAD 1,000
Class I (DKK): DKK 10,000
Class I (BRL): BRL 1,000
Class I (RMB): RMB 10,000

Class B (EUR): EUR 1,000
Class B (USD): USD 1,000
Class B (GBP): GBP 1,000
Class B (CHF): CHF 1,000
Class B (JPY): JPY 100,000
Class B (SEK): SEK 10,000

Class M (EUR): EUR 100
Class M (USD): USD 100
Class M (GBP): GBP 100
Class M (CHF): CHF 100
Class M (JPY): JPY 10,000
Class M (SEK): SEK 1,000
Class M (NOK): NOK 1,000
Class M (SGD): SGD 100
Class M (HKD): HKD 1,000
Class M (CAD): CAD 100
Class M (DKK): DKK 1,000
Class M (BRL): BRL 100
Class M (RMB): RMB 1,000

Class SI (EUR): EUR 1,000
Class SI (USD): USD 1,000
Class SI (GBP): GBP 1,000
Class SI (CHF): CHF 1,000
Class SI (JPY): JPY 100,000
Class SI (SEK): SEK 10,000
Class SI (NOK): NOK 10,000
Class SI (HKD): HKD 10,000

Class D-A (EUR): EUR 100
Class D-A (USD): USD 100
Class D-A (GBP): GBP 100
Class D-A (CHF): CHF 100
Class D-A (JPY): JPY 10,000
Class D-A (SEK): SEK 1,000
Class D-A (NOK): NOK 1,000
Class D-A (SGD): SGD 100
Class D-A (HKD): HKD 1,000
Class D-A (CAD): CAD 100
Class D-A (DKK): DKK 1,000
Class D-A (BRL): BRL 100
Class D-A (RMB): RMB 1,000

Class D-I (EUR): EUR 1,000
Class D-I (USD): USD 1,000
Class D-I (GBP): GBP 1,000
Class D-I (CHF): CHF 1,000
Class D-I (JPY): JPY 100,000
Class D-I (SEK): SEK 10,000
Class D-I (NOK): NOK 10,000
Class D-I (SGD): SGD 1,000
Class D-I (HKD): HKD 10,000
Class D-I (CAD): CAD 1,000
Class D-I (DKK): DKK 10,000
Class D-I (BRL): BRL 1,000
Class D-I (RMB): RMB 10,000

Class D-B (EUR): EUR 1,000
Class D-B (USD): USD 1,000
Class D-B (GBP): GBP 1,000
Class D-B (CHF): CHF 1,000
Class D-B (JPY): JPY 100,000
Class D-B (SEK): SEK 10,000

Class D-M (EUR): EUR 100
Class D-M (USD): USD 100
Class D-M (GBP): GBP 100
Class D-M (CHF): CHF 100
Class D-M (JPY): JPY 10,000
Class D-M (SEK): SEK 1,000
Class D-M (NOK): NOK 1,000
Class D-M (SGD): SGD 100
Class D-M (HKD): HKD 1,000
Class D-M (CAD): CAD 100
Class D-M (DKK): DKK 1,000
Class D-M (BRL): BRL 100
Class D-M (RMB): RMB 1,000

Class D-SI (EUR): EUR 1,000
Class D-SI (USD): USD 1,000
Class D-SI (GBP): GBP 1,000
Class D-SI (CHF): CHF 1,000
Class D-SI (JPY): JPY 100,000
Class D-SI (SEK): SEK 10,000
Class D-SI (NOK): NOK 10,000
Class D-SI (HKD): HKD 10,000

PERFORMANCE FEE

In addition to Management Company Fees, the Management Company shall receive out of the assets of the Sub-Fund a Performance Fee equal to the Performance Rate multiplied by the Class Excess Performance. No Performance Fee will be charged to Class B, SI, D-B and D-SI Shares.

The Performance Fee becomes due in the event of outperformance, that is, if the increase of the Net Asset Value of the relevant Class during the relevant Class Incentive Period exceeds the increase in the relevant Benchmark Value over the same period, in accordance with the high water mark principle.

A Performance Fee of the relevant Class is accrued on each Valuation Day, on the basis of the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark. On each Valuation Day, the accounting provision is adjusted to reflect the Class performance, positive or negative. If the Net Asset Value of the relevant Class is lower than the Benchmark Value or the High Water Mark, the provision made is returned to the relevant Class. The accounting provision may never be negative.

In this section:

The "**Performance Rate**" means up to 10%.

"**Class Incentive Period (n)**" shall be the period of one year starting as from each 1st January of the year (n) or if it is not a Business Day, on the following Business Day and ending each 31st December of the year (n)) or if it is not a Business Day, on the following Business Day.

"**High Water Mark (0)**", of the relevant Class means, for the initial Class Incentive Period, the initial Net Asset Value accrued with the Hurdle Rate.

"**High Water Mark (n)**" of the relevant Class means the Net Asset Value accrued with the Hurdle Rate of the relevant Class at the end of the Class Incentive Period (n-1), unless the High Water Mark (n) is lower than the highest High Water Mark since inception accrued with the Hurdle Rate of the relevant Class, in such case High Water Mark (n) shall be equal to that highest High Water Mark accrued with the Hurdle Rate.

"**Benchmark Value**" of the relevant Class means the hypothetical Net Asset Value starting from the initial Net Asset Value of the relevant Class at inception and assuming a performance based on the Hurdle Rate of the relevant Class.

"**Class Excess Performance**" means, for any Class Incentive Period (n), the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark (n).

"**Hurdle Rate**" means the performance over the Class Incentive Period of the:

- EONIA rate for Classes denominated in EUR;
- Fed Funds rate for Classes denominated in USD;
- Libor GBP 1W rate for Classes denominated in GBP;
- Libor CHF 1W rate for Classes denominated in CHF;
- Libor JPY 1W rate for Classes denominated in JPY;
- Libor SEK 1M rate for Classes denominated in SEK;
- Libor NOK 1M rate for Classes denominated in NOK;
- Libor SGD 1M rate for Classes denominated in SGD;
- Libor HKD 1M rate for Classes denominated in HKD;
- Libor CAD 1M rate for Classes denominated in CAD;
- Libor DKK 1M rate for Classes denominated in DKK;
- Libor BRL 1M rate for Classes denominated in BRL;
- Libor RMB 1M rate for Classes denominated in RMB.

If the Hurdle Rate of the relevant Class is lower than 0, it will be valued at 0.

Investors should note that the Sub-Fund does not perform equalization or issue of series units for the purposes of determining the Performance Fee. The use of equalization or issue of series units ensures that the incentive fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of the each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Class Incentive Period. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Class Incentive Period and the timing of subscriptions and redemptions to the Class during the course of such Class Incentive Period.

For the avoidance of doubt, distribution of dividends will be taken into account when calculating the Performance Fee in relation to Class D-M, D-A and D-I Shares.

Investors should further note that, in the case where they have redeemed their shares before the end of any Class Incentive Period, any accrued but unpaid Performance Fee in respect of their holding during such Period will be kept and paid to the Management Company, even if this Performance Fee should not be paid to him at the end of the said period.

THE ADMINISTRATOR, REGISTRAR AGENT AND CUSTODIAN BANK FEES

By derogation the provisions of "Company Charges" set out in the Prospectus, the Custodian Bank and Paying Agent, the Administrative, Corporate and Domiciliary Agent and the Registrar and Transfer Agent will receive a fee (the "Administrative Fees") payable monthly in arrears out of the Sub-Fund 'assets of up to 0.15% per year (inclusive of VAT) of the Net Asset Value of the Sub-Fund as applicable.

Such Administrative Fees may be paid to the Management Company which will subsequently pay the Custodian and Paying Agent, the Administrative, Corporate and Domiciliary Agent and the Registrar and Transfer Agent.

OTHER CHARGES AND EXPENSES

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Other Charges and Expenses specific to the Sub-Fund or a Class will be borne by the Management Company being that the Management Company is entitled to charge the Sub-Fund with all or part of such Other Charges and Expenses or have them paid by the Sub-Fund directly**.**

However part of the Other Charges and Expenses borne by the Sub-Fund in connection with the formation of the Sub-Fund and the initial issue of Shares by the Sub-Fund, if any, (including those incurred in the preparation and publication of the sales documents of the Sub-Fund, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses) shall be written off over a period not exceeding five years and in such amount in each year as determined by the Board of Directors on an equitable basis.

In all cases the aggregate amount of both the Administrative Fees and the Other Charges and Expenses borne by the Sub-Fund shall be limited in respect of each Class to a level of up to 0.20% per year of the Net Asset Value of each relevant Class.

LISTING

It might be contemplated in the future to make an application to list the Shares of the Sub-Fund on one or more European stock exchanges.

PUBLICATION OF THE NET ASSET VALUE

The Net Asset Value per Share will be available at the registered office of the Company and will be published on www.fundsquare.net.

RISKS WARNING

Without any prejudice to the provisions of the Section "Investment Risks" specified in the Prospectus it is reminded that given the Investment Policy of the Sub-Fund, an investment in the Sub-Fund carries substantial risks and is suitable only for investors who can bear the risk of losing a substantial part of their investment. Prospective investors should consider, amongst others, the following factors before subscribing for Shares:

Share values of the Sub-Fund are subject to market fluctuation as with all investment funds. As a result, the Share values may go up or down.

The Sub-Fund, entering into financial derivative instruments, might be subject to higher volatility and potential counterparty risk. In the event of the insolvency or default of the counterparty, the Sub-Fund could suffer a loss (however this loss could be reduced by the use of collateral).

Risks relating to distribution: For Distribution Shares, there is no guarantee that the Sub-Fund will make distribution. Further where the income and/or capital gain generated by the Sub-Fund is insufficient to pay a distribution as the Sub-Fund declares, the Sub-Fund may at its discretion make such distributions out of the capital of the Sub-Fund. Investors should note that in the circumstances where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount they originally invested or capital gains attributable to that and will generally result in an immediate decrease in the value of Shares.

APPENDIX 2

Lyxor Quantitative Fund ABSOLUTE RETURN MULTI ASSET 8

The Reference Currency of the Sub-Fund is the Euro (EUR).

INVESTMENT OBJECTIVE

The "**Lyxor Quantitative Fund ABSOLUTE RETURN MULTI ASSET 8**" Sub-Fund's investment objective is to provide a net capital appreciation (taking into account all fees and expenses attributable to the Sub-Fund) above EONIA or the equivalent money market rate in the relevant currency of the Class of Shares, over a 3 to 5 year horizon with a level of annual volatility lower than 8%.

The Sub-Fund has an absolute return approach to generate a performance in most market environments. It will invest in a diversified portfolio of very liquid instruments.

INVESTMENT POLICY

The Sub-Fund seeks to achieve its objective by using a dynamic asset allocation process on a broad and diversified set of liquid asset classes.

The Sub-Fund will invest in eligible assets, including but not limited to equities, bonds, derivative instruments such as (but not limited to) listed futures or securities linked notably to various equity indices and/or sovereign bonds and/or currencies, and/or commodities indices, currencies forward, index swap instruments, interest rate swap instruments, Exchange Traded Funds, UCI's, and money market instruments.

Should the Sub-Fund be exposed to any financial index for 10% or more of its Net Asset Value, such financial index will be eligible for investment by UCITS in accordance with the requirements of applicable laws and regulations including article 44 of the 2010 Law and article 8 and 9 of the Grand Ducal regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 on undertakings for collective investment and CSSF Circular 14/592 (the "Eligible Index"). The list of the Eligible Indices, the review and the rebalancing frequency of these Eligible Indices will be disclosed in the Annual Reports and/or the Semi-annual Reports. The rebalancing frequency of the Eligible Indices will have no impact in terms of costs on the Sub-Fund.

More specifically the Sub-Fund will use a Core-Satellite investment process.

The Core is the centrepiece of the portfolio. The Core is a diversified portfolio invested in equity, fixed-income and listed futures or securities linked to commodities indices: it corresponds to the directional exposures (beta) of the portfolio.

The Core will be determined pursuant to the Strategic Allocation and the Tactical Allocation as follows:

- *Strategic Allocation is based on:*
  - Risk budgeting methodology
    - The risk is split among asset classes to obtain a diversified and risk balanced portfolio.
  - According notably to
    - Market volatility
    - Market cross-correlation

- *Tactical Allocation:*
  - Modulate the Strategic Allocation based, among other things, on a trend-following analysis and a global macro analysis
  - According notably to
    - Market volatility
    - Market prices
    - Macroeconomic indicators.

The Satellite is composed of strategies aiming at generating additional returns (alpha). Allocation within Satellite components relies on a risk budgeting methodology.

The Core and the Satellite of the Sub-Fund will be monitored by a stringent risk control process, on a daily basis, in order to maintain the average level of annual volatility of the Sub-Fund below 8%.

The Sub-Fund will endeavour to maintain its overall exposure to the following diversification criteria:

- *Exposure to global equity markets between 0% and 100% of the Net Asset Value;*
  Exposure to developed markets investment grade bonds between 0% and 200% of the Net Asset Value (excluding cash positions invested in short-term government bonds);

- *Exposure to non-investment grade bond markets between 0% and 10% of the Net Asset Value;*
- *Exposure to global commodities markets between 0% and 30% of the Net Asset Value.*

In order to ensure best execution of the Sub-Fund's main transactions in its underlying investments, the Management Company intends to pursue competitive bidding with first class financial institutions.

The valuation of the over-the-counter financial derivative instruments will be provided by the counterparty but the Management Company will make their own independent valuation thereof. Such counterparty will not assume any discretion over the composition of the Sub-Fund's assets underlying of the over-the-counter financial derivative instruments, which are managed by the Management Company.

Despite all measures taken by the Company to reach its objectives, these are subject to independent risk factors like changes in the fiscal or commercial regulations. No guarantee whatsoever may be offered to the investor in this regard.

More than 35% of the Sub-Fund's net assets may include money market instruments and transferable securities issued or guaranteed by OECD countries in accordance with section A.5) of Investment Powers and Restrictions above.

The Sub-Fund will not invest more than 10% of its net assets into UCIs.

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592), any transactions including efficient portfolio management techniques such as reverse repurchase agreements which consist of transactions whereby, at maturity, the seller (the counterparty) has the obligation to repurchase the asset sold to the Sub-Fund and the Sub-Fund has the obligation to return the asset bought under the terms of the agreement.

The counterparty to these transactions will be Société Générale.

Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

Within the limits set forth in this Prospectus and on an ancillary basis, the Sub-Fund may hold cash and cash equivalents.

ELIGIBILITY OF THE SUB-FUND

According to the investment objective and policy described above, the Sub-Fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

TARGETED INVESTORS

The Sub-Fund is offered to investors wishing to have a diversified exposure to financial markets while benefiting from an enhanced performance.

RISK MANAGEMENT

The global exposure determination methodology used for risk monitoring of this Sub-Fund is the absolute VaR approach. The expected level of leverage (calculated as the sum of notionals of the derivatives used) of the Sub-Fund is about 190% and is not expected to exceed a maximum of 300%.

CLASSES OF SHARES

The Sub-Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

Class M (EUR) Class M (USD) Class M (GBP) Class M (CHF) Class M (JPY) Class M (SEK) Class M (NOK) Class M (HKD)	Class D-M (EUR) Class D-M (USD) Class D-M (GBP) Class D-M (CHF) Class D-M (JPY) Class D-M (SEK) Class D-M (NOK) Class D-M (HKD)
Class A (EUR) Class A (USD) Class A (GBP) Class A (CHF) Class A (JPY) Class A (SEK) Class A (NOK) Class A (HKD)	Class D-A (EUR) Class D-A (USD) Class D-A (GBP) Class D-A (CHF) Class D-A (JPY) Class D-A (SEK) Class D-A (NOK) Class D-A (HKD)

Class I (EUR) Class I (USD) Class I (GBP) Class I (CHF) Class I (JPY) Class I (SEK) Class I (NOK) Class I (HKD)	Class D-I (EUR) Class D-I (USD) Class D-I (GBP) Class D-I (CHF) Class D-I (JPY) Class D-I (SEK) Class D-I (NOK) Class D-I (HKD)
Class SI (EUR) Class SI (USD) Class SI (GBP) Class SI (CHF) Class SI (JPY) Class SI (SEK) Class SI (NOK) Class SI (HKD)	Class D-SI (EUR) Class D-SI (USD) Class D-SI (GBP) Class D-SI (CHF) Class D-SI (JPY) Class D-SI (SEK) Class D-SI (NOK) Class D-SI (HKD)
Class B (GBP) Class B (EUR) Class B (USD) Class B (CHF) Class B (SEK)	Class D-B (GBP) Class D-B (EUR) Class D-B (USD) Class D-B (CHF) Class D-B (SEK)
Class R (GBP) Class R (EUR) Class R (USD) Class R (CHF) Class R (SEK)	Class D-R (GBP) Class D-R (EUR) Class D-R (USD) Class D-R (CHF) Class D-R (SEK)
Class X-M (EUR) Class X-M (USD)	Class X-I (EUR) Class X-I (USD)
Class N (EUR) Class N (USD) Class N (CHF)	Class D-N (EUR) Class D-N (USD) Class D-N (CHF)
Class Z (EUR) Class Z (USD) Class Z (GBP) Class Z (JPY)	

Class A Shares are Capitalisation Shares and are available to all investors.

Class M Shares are Capitalisation Shares and are only available to investors through distributors.

Class I Shares are Capitalisation Shares and are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class X-M Shares are Capitalisation Shares and are available to specific investors.

Class X-I Shares are Capitalisation Shares and are available to specific institutional investors.

Class D-A Shares are Distribution Shares only available to all investors.

Class D-M Shares are Distribution Shares and are only available to investors through distributors.

Class D-I Shares are Distribution Shares only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class B Shares are Capitalisation Shares and are available to all investors.

Class R Shares are Capitalisation Shares and are available to all investors.

Class D-B Shares are Distribution Shares and are available to all investors.

Class D-R Shares are Distribution Shares and are available to all investors.

Class SI Shares are Capitalisation Shares and are available to institutional investors within the meaning of article 174 of the 2010 Law.

Class D-SI Shares are Distribution Shares only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class X-M and Class X-I Shares will be available for subscription until 30th September 2012 unless the Board of Directors decides to allow subscription after such above mentioned deadline.

Class N Shares are Capitalisation Shares and are only available to investors through distributors.

Class D-N Shares are Distribution Shares and are only available to investors through distributors.

Class Z Shares are Capitalisation Shares and are only available to investors specifically approved by the Board of Directors.

Shares will be issued in registered form.

Fractions of Shares will be issued to three decimal places.

In order to protect Shareholders of Classes not denominated in EUR from the impact of currency movements, assets which are denominated in EUR will be hedged back to the Class currency. The costs and effects of this hedging would be reflected in the Net Asset Value and in the performance of these Classes.

MINIMUM INVESTMENT

Class A (EUR): EUR 1,000
Class A (USD): USD 1,000
Class A (GBP): GBP 1,000
Class A (CHF): CHF 1,000
Class A (JPY): JPY 100,000
Class A (SEK): SEK 10,000
Class A (NOK): NOK 10,000
Class A (HKD): HKD 10,000

Class I (EUR): EUR 500,000
Class I (USD): USD 500,000
Class I (GBP): GBP 500,000
Class I (CHF): CHF 500,000
Class I (JPY): JPY 50,000,000
Class I (SEK): SEK 5,000,000
Class I (NOK): NOK 5,000,000
Class I (HKD): HKD 5,000,000
Class M (EUR): EUR 100
Class M (USD): USD 100
Class M (GBP): GBP 100
Class M (CHF): CHF100
Class M (JPY): JPY 10,000
Class M (SEK): SEK 1,000
Class M (NOK): NOK 1,000
Class M (HKD): HKD 500

Class D-A (EUR): EUR 1000
Class D-A (USD): USD 1000
Class D-A (GBP): GBP 1000
Class D-A (CHF): CHF 1000
Class D-A (JPY): JPY 100,000
Class D-A (SEK): SEK 10,000
Class D-A (NOK): NOK 10,000
Class D-A (HKD): HKD 10,000

Class D-I (EUR): EUR 500,000
Class D-I (USD): USD 500,000
Class D-I (GBP): GBP 500,000
Class D-I (CHF): CHF 500,000
Class D-I (JPY): JPY 50,000,000
Class D-I (SEK): SEK 5,000,000
Class D-I (NOK): NOK 5,000,000
Class D-I (HKD): HKD 5,000,000

Class D-M (EUR): EUR 100
Class D-M (USD): USD 100
Class D-M (GBP): GBP 100
Class D-M (CHF): CHF100
Class D-M (JPY): JPY 10,000
Class D-M (SEK): SEK 1,000
Class D-M (NOK): NOK 1,000
Class D-M (HKD): HKD 500

Class X-M (EUR): EUR 100
Class X-M (USD): USD 100

Class X-I (EUR): EUR 500,000
Class X-I (USD): USD 500,000

Class B (GBP): GBP 250,000
Class B (EUR): EUR 250,000
Class B (USD): USD 250,000
Class B (CHF): CHF 250,000
Class B (SEK): SEK 2,500,000

Class R (GBP): GBP 1,000
Class R (EUR): EUR 1,000
Class R (USD): USD 1,000
Class R (CHF): CHF 1,000
Class R (SEK): SEK 10,000

Class D-B (GBP): GBP 250,000
Class D-B (EUR): EUR 250,000
Class D-B (USD): USD 250,000
Class D-B (CHF): CHF 250,000
Class D-B (SEK): SEK 2,500,000

Class D-R (GBP): GBP 1,000
Class D-R (EUR): EUR 1,000
Class D-R (USD): USD 1,000
Class D-R (CHF): CHF 1,000
Class D-R (SEK): SEK 10,000

Class SI (EUR): EUR 75,000,000
Class SI (USD): USD 75,000,000
Class SI (GBP): GBP 75,000,000
Class SI (CHF): CHF 75,000,000
Class SI (JPY): JPY 7,500,000,000
Class SI (SEK): SEK 750,000,000
Class SI (NOK): NOK 750,000,000
Class SI (HKD): HKD 750,000,000

Class D-SI (EUR): EUR 75,000,000
Class D-SI (USD): USD 75,000,000
Class D-SI (GBP): GBP 75,000,000
Class D-SI (CHF): CHF 75,000,000
Class D-SI (JPY): JPY 7,500,000,000
Class D-SI (SEK): SEK 750,000,000
Class D-SI (NOK): NOK 750,000,000
Class D-SI (HKD): HKD 750,000,000

Class N (EUR): EUR 100
Class N (USD): USD 100
Class N (CHF): CHF 100

Class D-N (EUR): EUR 100
Class D-N (USD): USD 100
Class D-N (CHF): CHF 100

Class Z (EUR): EUR 5,000
Class Z (USD): USD 5,000
Class Z (GBP): GBP 5,000
Class Z (JPY): JPY 500,000

Additional minimum subscription amount:

Class A (EUR): one Share
Class A (USD): one Share
Class A (GBP): one Share

Class A (CHF): one Share
Class A (JPY): one Share
Class A (SEK): one Share
Class A (NOK): one Share
Class A (HKD): one Share

Class I (EUR): one Share
Class I (USD): one Share
Class I (GBP): one Share
Class I (CHF): one Share
Class I (JPY): one Share
Class I (SEK): one Share
Class I (NOK): one Share
Class I (HKD): one Share

Class M (EUR): one Share
Class M (USD): one Share
Class M (GBP): one Share
Class M (CHF): one Share
Class M (JPY): one Share
Class M (SEK): one Share
Class M (NOK): one Share
Class M (HKD): one Share

Class D-A (EUR): one Share
Class D-A (USD): one Share
Class D-A (GBP): one Share
Class D-A (CHF): one Share
Class D-A (JPY): one Share
Class D-A (SEK): one Share
Class D-A (NOK): one Share
Class D-A (HKD): one Share

Class D-I (EUR): one Share
Class D-I (USD): one Share
Class D-I (GBP): one Share
Class D-I (CHF): one Share
Class D-I (JPY): one Share
Class D-I (SEK): one Share
Class D-I (NOK): one Share
Class D-I (HKD): one Share

Class D-M (EUR): one Share
Class D-M (USD): one Share
Class D-M (GBP): one Share
Class D-M (CHF): one Share
Class D-M (JPY): one Share
Class D-M (SEK): one Share
Class D-M (NOK): one Share
Class D-M (HKD): one Share

Class X-M (EUR): one Share
Class X-M (USD): one Share

Class X-I (EUR): one Share
Class X-I (USD): one Share

Class B (GBP): one thousandth of Share
Class B (EUR): one thousandth of Share
Class B (USD): one thousandth of Share
Class B (CHF): one thousandth of Share
Class B (SEK): one thousandth of Share

Class R (GBP): one thousandth of Share
Class R (EUR): one thousandth of Share
Class R (USD): one thousandth of Share
Class R (CHF): one thousandth of Share
Class R (SEK): one thousandth of Share

Class D-B (GBP): one thousandth of Share
Class D-B (EUR): one thousandth of Share
Class D-B (USD): one thousandth of Share
Class D-B (CHF): one thousandth of Share
Class D-B (SEK): one thousandth of Share

Class D-R (GBP): one thousandth of Share
Class D-R (EUR): one thousandth of Share
Class D-R (USD): one thousandth of Share
Class D-R (CHF): one thousandth of Share
Class D-R (SEK): one thousandth of Share

Class SI (EUR): one Share
Class SI (USD): one Share
Class SI (GBP): one Share
Class SI (CHF): one Share
Class SI (JPY): one Share
Class SI (SEK): one Share
Class SI (NOK): one Share
Class SI (HKD): one Share

Class D-SI (EUR): one Share
Class D-SI (USD): one Share
Class D-SI (GBP): one Share
Class D-SI (CHF): one Share
Class D-SI (JPY): one Share
Class D-SI (SEK): one Share
Class D-SI (NOK): one Share
Class D-SI (HKD): one Share

Class N (EUR): one Share
Class N (CHF): one Share
Class N (USD): one Share

Class D-N (EUR): one Share
Class D-N (CHF): one Share
Class D-N (USD): one Share

Class Z (EUR): one Share
Class Z (GBP): one Share
Class Z (USD): one Share
Class Z (JPY): one Share

Minimum holding requirement: none

The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount and the additional minimum subscription amount.

SUBSCRIPTION OF SHARES

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or the number of Shares and shall be centralised by the Registrar Agent before 12:00

(Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for subscriptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares must be received by the Custodian Bank and Paying Agent not later than three Business Days after the relevant Valuation Day, except that the Board of Directors may decide otherwise.

REDEMPTION OF SHARES

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before 12:00 (Luxembourg time), on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for redemptions forwarded after 12:00 (Luxembourg time) on a Valuation Day shall be deemed to have been received before 12:00 (Luxembourg time) on the following Valuation Day.

Payment for Shares redeemed will be effected as soon as possible but not later than three Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made through intermediaries (including but not limited to correspondent banks appointed in any given country).

FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND.

- Subscription charge

A Subscription Charge of up to 2% of the Issue Price may be added to the Issue Price by distributors of the Shares of the Sub-Fund.

The Board of Directors reserves the right to waive Subscription Charges.

No Subscription Charge will be applied to Classes I, D-I, SI and D-SI Shares.

- Redemption charge

No Redemption Charge shall be levied on redemption requests for any of the Classes M, D-M, A, D-A, I, D-I, SI, D-SI, B, D-B, R, R-DR, X-M, X-I, N, D-N Shares.

A Redemption Charge of 3% until the Redemption Deadline of 30 April 2016, then 2% until the Redemption Deadline of 30 April 2017, then 0% will be levied on redemption request for the Class Z Shares.

DISTRIBUTION POLICY

Distribution Shares: in relation to the Distribution Shares the Sub-Fund intends to distribute on an annual basis dividends in the form of cash out of the investment income and/or of the net capital gains at the Management Company's discretion provided that the Board of Directors may decide to distribute interim dividends on a monthly, quarterly or other frequency basis. If investment income and the net capital gains are insufficient to pay distributions as declared, the Sub-Fund may determine such distributions be paid from capital.

DEFINITIONS

"Business Day": any full working day in Luxembourg, New York and in Paris when the banks are opened for business.

"Valuation Day": any day which is (i) Business Day and (ii) a day which is also a day where stock exchanges and regulated markets in countries where the Sub-Fund is materially exposed (more than 10% of the Sub-Fund's net assets) are open for trading. The days which are not Valuation Days will be available for the current year at the registered office of the Company and on the following website: www.lyxor.com.

"Subscription Deadline" and "Redemption Deadline": any Valuation Day at 12:00 (Luxembourg time) at the latest.

MANAGEMENT COMPANY FEE

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company will receive a Management Fee out of the assets of the Sub-Fund, monthly in arrears, as follows:

- Class A: up to 0.95% per year (inclusive of VAT) of the Net Asset Value
- Class D-A: up to 0.95% per year (inclusive of VAT) of the Net Asset Value
- Class M: up to 1.50% per year (inclusive of VAT) of the Net Asset Value
- Class D-M: up to 1.50% per year (inclusive of VAT) of the Net Asset Value

- Class X-M: up to 1.35% per year (inclusive of VAT) of the Net Asset Value
- Class I: up to 0.50% per year (inclusive of VAT) of the Net Asset Value
- Class D-I: up to 0.50% per year (inclusive of VAT) of the Net Asset Value
- Class X-I: up to 0.10% per year (inclusive of VAT) of the Net Asset Value
- Class B: up to 0.75% per year (inclusive of VAT) of the Net Asset Value
- Class R: up to 1.00% per year (inclusive of VAT) of the Net Asset Value
- Class D-B: up to 0.75% per year (inclusive of VAT) of the Net Asset Value
- Class D-R: up to 1.00% per year (inclusive of VAT) of the Net Asset Value
- Class SI: up to 0.50 % per year (inclusive of VAT) of the Net Asset Value
- Class D-SI: up to 0.50 % per year (inclusive of VAT) of the Net Asset Value
- Class Z: up to 0.50 % per year (inclusive of VAT) of the Net Asset Value
- Class N: up to 1.75 % per year (inclusive of VAT) of the Net Asset Value
- Class D-N: up to 1.75 % per year (inclusive of VAT) of the Net Asset Value

INITIAL NET ASSET VALUE

The initial Net Asset Value per Share at the launch date of the Sub-Fund or at any other date after such date, as may be determined by the Board of Directors at its discretion is given in the table below.

Class A (EUR): EUR 1,000
Class A (USD): USD 1,000
Class A (GBP): GBP 1,000
Class A (CHF): CHF 1,000
Class A (JPY): JPY 100,000
Class A (SEK): SEK 10,000
Class A (NOK): NOK 10,000
Class A (HKD): HKD 10,000

Class I (EUR): EUR 1,000
Class I (USD): USD 1,000
Class I (GBP): GBP 1,000
Class I (CHF): CHF 1,000
Class I (JPY): JPY 100,000
Class I (SEK): SEK 10,000
Class I (NOK): NOK 10,000
Class I (HKD): HKD 10,000

Class M (EUR): EUR 100
Class M (USD): USD 100
Class M (GBP): GBP 100
Class M (CHF): CHF 100
Class M (JPY): JPY 10,000
Class M (SEK): SEK 1,000
Class M (NOK): NOK 1,000
Class M (HKD): HKD 1,000

Class D-A (EUR): EUR 1,000
Class D-A (USD): USD 1,000
Class D-A (GBP): GBP 1,000
Class D-A (CHF): CHF 1,000
Class D-A (JPY): JPY 100,000
Class D-A (SEK): SEK 10,000
Class D-A (NOK): NOK 10,000
Class D-A (HKD): HKD 10,000

Class D-I (EUR): EUR 1,000
Class D-I (USD): USD 1,000
Class D-I (GBP): GBP 1,000
Class D-I (CHF): CHF 1,000
Class D-I (JPY): JPY 100,000
Class D-I (SEK): SEK 10,000
Class D-I (NOK): NOK 10,000
Class D-I (HKD): HKD 10,000

Class D-M (EUR): EUR 100
Class D-M (USD): USD 100
Class D-M (GBP): GBP 100
Class D-M (CHF): CHF 100
Class D-M (JPY): JPY 10,000
Class D-M (SEK): SEK 1,000
Class D-M (NOK): NOK 1,000
Class D-M (HKD): HKD 1,000

Class X-M (EUR): EUR 100
Class X-M (USD): USD 100

Class X-I (EUR): EUR 1,000
Class X-I (USD): USD 1,000

Class B (GBP): GBP 1,000
Class B (EUR): EUR 1,000
Class B (USD): USD 1,000
Class B (CHF): CHF 1,000
Class B (SEK): SEK 10,000

Class R (GBP): GBP 1,000
Class R (EUR): EUR 1,000
Class R (USD): USD 1,000
Class R (CHF): CHF 1,000
Class R (SEK): SEK 10,000

Class D-B (GBP): GBP 1,000
Class D-B (EUR): EUR 1,000
Class D-B (USD): USD 1,000
Class D-B (CHF): CHF 1,000
Class D-B (SEK): SEK 10,000

Class D-R (GBP): GBP 1,000
Class D-R (EUR): EUR 1,000
Class D-R (USD): USD 1,000
Class D-R (CHF): CHF 1,000

Class D-R (SEK): SEK 10,000

Class SI (EUR): EUR 1,000
Class SI (USD): USD 1,000
Class SI (GBP): GBP 1,000
Class SI (CHF): CHF 1,000
Class SI (JPY): JPY 100,000
Class SI (SEK): SEK 10,000
Class SI (NOK): NOK 10,000
Class SI (HKD): HKD 10,000

Class SI (EUR): EUR 1,000
Class SI (USD): USD 1,000
Class SI (GBP): GBP 1,000
Class SI (CHF): CHF 1,000
Class SI (JPY): JPY 100,000
Class SI (SEK): SEK 10,000
Class SI (NOK): NOK 10,000
Class SI (HKD): HKD 10,000

Class N (EUR): EUR 100
Class N (USD): USD 100
Class N (CHF): CHF 100

Class D-N (EUR): EUR 100
Class D-N (USD): USD 100
Class D-N (CHF): CHF 100

Class Z (EUR): EUR 1,000
Class Z (USD): USD 1,000
Class Z (GBP): GBP 1,000
Class Z (JPY): JPY 100,000

PERFORMANCE FEE

In addition to Management Company Fees, the Management Company shall receive out of the assets of the Sub-Fund a Performance Fee equal to the Performance Rate multiplied by the Class Excess Performance. No Performance Fee will be charged to Classes B, R, SI, D-B, D-R, D-SI, N, D-N, and Z Shares.

The Performance Fee becomes due in the event of outperformance, that is, if the increase of the Net Asset Value of the relevant Class during the relevant Class Incentive Period exceeds the increase in the relevant Benchmark Value over the same period, in accordance with the high water mark principle.

A Performance Fee of the relevant Class is accrued on each Valuation Day, on the basis of the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark. On each Valuation Day, the accounting provision is adjusted to reflect the Class performance, positive or negative. If the Net Asset Value of the relevant Class is lower than the Benchmark Value or the High Water Mark, the provision made is returned to the relevant Class. The accounting provision may never be negative.

In this section:

The "**Performance Rate**" means up to 10%.

"**Class Incentive Period (n)**" shall be the period of one year starting as from each 1st January of the year (n) or if it is not a Business Day, on the following Business Day and ending each 31st December of the year (n) or if it is not a Business Day, on the following Business Day.

"**High Water Mark (0)**", of the relevant Class means, for the initial Class Incentive Period, the initial Net Asset Value accrued with the Hurdle Rate.

"**High Water Mark (n)**" of the relevant Class means the Net Asset Value accrued with the Hurdle Rate of the relevant Class at the end of the Class Incentive Period (n-1), unless the High Water Mark (n) is lower than the highest High Water Mark since inception accrued with the Hurdle Rate of the relevant Class, in such case High Water Mark (n) shall be equal to that highest High Water Mark accrued with the Hurdle Rate.

"**Benchmark Value**" of the relevant Class means the hypothetical Net Asset Value starting from the initial Net Asset Value of the relevant Class at inception and assuming a performance based on the Hurdle Rate of the relevant Class.

"**Hurdle Rate**" means the rate defined at the beginning of the Class Incentive Period by:

- EONIA rate for Classes denominated in EUR;
- Fed Funds rate for Classes denominated in USD;
- Libor GBP 1W rate for Classes denominated in GBP;
- Libor CHF 1W rate for Classes denominated in CHF;
- Libor JPY 1W rate for Classes denominated in JPY;
- Libor SEK 1M rate for Classes denominated in SEK;
- Libor NOK 1M rate for Classes denominated in NOK;
- Libor HKD 1M rate for Classes denominated in HKD.

If the Hurdle Rate of the relevant Class is lower than 0, it will be valued at 0.

"**Class Excess Performance**" means, for any Class Incentive Period (n), the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark (n).

Investors should note that the Sub-Fund does not perform equalization or issue of series units for the purposes of determining the Performance Fee. The use of equalization or issue of series units ensures that the incentive fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of the each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Class Incentive Period. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Class Incentive Period and the timing of subscriptions and redemptions to the Class during the course of such Class Incentive Period.

For the avoidance of doubt, distribution of dividends will be taken into account when calculating the Performance Fee in relation to Class D-A, D-I and D-M Shares.

Investors should further note that, in the case where they have redeemed their shares before the end of any Class Incentive Period, any accrued but unpaid Performance Fee in respect of their holding during such Period will be kept and paid to the Management Company, even if this Performance Fee should not be paid to him at the end of the said period.

THE ADMINISTRATOR, REGISTRAR AGENT AND CUSTODIAN BANK FEES

By derogation the provisions of "Company Charges" set out in the Prospectus, the Custodian Bank and Paying Agent, the Administrative, Corporate and Domiciliary Agent and the Registrar and Transfer Agent will receive a fee (the "Administrative Fees") payable monthly in arrears out of the Sub-Fund 'assets of up to 0.20% per year (inclusive of VAT) of the Net Asset Value of the Sub-Fund as applicable. Such Administrative Fees may be paid to the Management Company which will subsequently pay the Custodian and Paying Agent, the Administrative, Corporate and Domiciliary Agent and the Registrar and Transfer Agent.

OTHER CHARGES AND EXPENSES

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Other Charges and Expenses specific to the Sub-Fund or a Class will be borne by the Management Company being that the Management Company is entitled to charge the Sub-Fund with all or part of such Other Charges and Expenses or have them paid by the Sub-Fund directly**.**

However part of the Other Charges and Expenses borne by the Sub-Fund in connection with the formation of the Sub-Fund and the initial issue of Shares by the Sub-Fund, if any, (including those incurred in the preparation and publication of the sales documents of the Sub-Fund, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses) shall be written off over a period not exceeding five years and in such amount in each year as determined by the Board of Directors on an equitable basis.

In all cases the aggregate amount of both the Administrative Fees and the Other Charges and Expenses borne by the Sub-Fund shall be limited in respect of each Class of Shares to a level of up to 0.20% per year of the Net Asset Value of each relevant Class.

LISTING

It might be contemplated in the future to make an application to list the Shares of the Sub-Fund on one or more European stock exchanges.

PUBLICATION OF THE NET ASSET VALUE

The Net Asset Value per Share will be available at the registered office of the Company and will be published on www.fundsquare.net.

RISKS WARNING

Without any prejudice to the provisions of the Section "Investment Risks" specified in the Prospectus it is reminded that given the Investment Policy of the Sub-Fund, an investment in the Sub-Fund carries substantial risks and is suitable only for investors who can bear the risk of losing a substantial part of their investment. Prospective investors should consider, amongst others, the following factors before subscribing for Shares:

Share values of the Sub-Fund are subject to market fluctuation as with all investment funds. As a result, the Share values may go up or down.

The Sub-Fund, entering into financial derivative instruments, might be subject to higher volatility and potential counterparty risk. In the event of the insolvency or default of the counterparty, the Sub-Fund could suffer a loss (however this loss could be reduced by the use of collateral). Certain financial derivative instruments may result in leverage or gearing effect (e.g. listed future contracts). This may subject the Sub-Fund to higher volatility and an amplification of market fluctuations.

Risks relating to distribution: For Distribution Shares, there is no guarantee that the Sub-Fund will make distribution. Further where the income and/or capital gain generated by the Sub-Fund is insufficient to pay a distribution as the Sub-Fund declares, the Sub-Fund may at its discretion make such distributions out of the capital of the Sub-Fund. Investors should note that in the circumstances where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount they originally invested or capital gains attributable to that and will generally result in an immediate decrease in the value of Shares.

APPENDIX 3

Lyxor Quantitative Fund - EuroGovies Risk Balanced

The Reference Currency of the Sub-Fund is the Euro (EUR).

INVESTMENT OBJECTIVE

The investment objective of "**Lyxor Quantitative Fund - EuroGovies Risk Balanced**" (the "**Sub-Fund**") is to provide a net capital appreciation (taking into account all fees and expenses attributable to the Sub-Fund) over a 3 to 5 years period.

The Sub-Fund actively invests, based on a proprietary risk-based asset allocation methodology developed by Lyxor, in a universe of debt securities primarily issued or guaranteed by a Member State of the European Union (EU) or by other Eligible Issuers (as defined hereafter). The debt securities invested by the Sub-Fund are high quality liquid assets (HQLA) and are eligible to the Liquidity Coverage Ratio (LCR) within meaning of the European Union Capital Requirement Directive (n° 2013/36/EU) and the Capital Requirement Regulation (n° 575/2013).

INVESTMENT POLICY

The Sub-Fund seeks to achieve its objective by applying an active debt securities selection overlay to the proprietary risk-based asset allocation methodology developed by Lyxor (the "**Methodology**") (as detailed hereafter).

Based on the principle of risk diversification, the Methodology relies on a risk budgeting approach where the amount invested in debt securities of Eligible Issuers is calibrated according to their marginal risk contributions. In order to estimate risk, the Methodology uses risk measures such as asset swap spreads, volatility or correlation. Based on market conditions, the Management Company will assign a target risk budget to each EU Member State and Supranational Entities (as defined below). The amount of capital invested in debt securities of any given Eligible Issuer will be based on this target risk budget. The Management Company will then discretionarily select individual debt securities to be purchased or sold in order to achieve the desired level of exposure to each EU Member State (including Supranational Entities, as defined below).

In order to enable the Sub-Fund to be eventually eligible to the Liquidity Coverage Ratio (LCR), the Sub-Fund will invest in debt securities (the "**Bonds**") issued by Level-1 Eligible Issuers, as defined in the Basel III Accord implemented within the European Union under the Capital Requirement Directive (n° 2013/36/EU) and the Capital Requirement Regulation (n° 575/2013).

The Bonds invested by the Sub-Fund can pay fixed or variable coupons, can be linked to inflation or not, or can be interest or non-interest bearing (or zero-coupon) bonds.

To be eligible for investment, Bonds will need to be issued or guaranteed by (i) the central authority of a EU Member State, (ii) a central bank of a EU Member State in the domestic currency of the central bank, (iii) a non-central government public sector entity in the domestic currency of the public sector entity, (iv) the Bank for International Settlements, the International Monetary Fund, the EU Commission, a multilateral development bank, or (v) the European Financial Stability Facility or the European Stability Mechanism (each (iv) and/or (v) referred to as a "**Supranational Entities**" and (i) to (v) being hereafter referred to as the "**Eligible Issuers**"). All capital letter terms in this paragraph have the meaning given in the European Union Capital Requirement Regulation (n° 575/2013).

The Sub-Fund will apply the following diversification constraints to its investments:

- The total combined investments in Bonds issued or guaranteed by the central governments of Italy, Spain, Ireland and Portugal, irrespective of their ratings, will not in aggregate exceed 25% of the Net Asset Value of the Sub-Fund.

- The investments in Bonds issued or guaranteed by Italy, Spain, Ireland or Portugal, irrespective of their ratings, will not exceed 10% of the Net Asset Value of the Sub-Fund for each of these EU Member States.

- The total combined investments in Bonds issued or guaranteed by EU Members States other than France, Germany, Italy, Spain, Ireland, Portugal or by Supranational Entities will not in aggregate exceed 50% of the Net Asset Value of the Sub-Fund. In order to be eligible for investment by the Sub-Fund, these Bonds must be issued by an EU Member State having a rating equivalent to at least AA- provided by any of the following rating agencies: Fitch Ratings, Standard and Poor's or Moody's.

- The total combined investments in Bonds issued or guaranteed by Supranationals Entities will not exceed 30% of the Net Asset Value of the Sub-Fund.

- The Sub-Fund will not invest in Bonds issued by corporate issuers or other issuers that are not guaranteed by an Eligible Issuer.

Subject to the foregoing, the Sub-Fund may invest up to 100% of its net assets in Bonds issued by Germany and/or France provided that such Bonds are part of at least six different issues and the Bonds from any one issue do not account for more than 30% of the net assets of the Sub-Fund.

The Sub-Fund will also invest in financial derivative instruments in order to hedge part of the risk related to interest rate movements, which could negatively affect the price of the Bonds within the Sub-Fund. The Sub-Fund will nevertheless remain exposed to the credit (or default) risk of the issuers of the Bonds within the Sub-Fund.

The financial derivative instruments may be either listed or dealt over-the-counter (OTC) (respectively "Listed Derivatives" or "OTC Derivatives"). The valuation of the OTC Derivatives will be provided by the counterparty but the Management Company will make its own independent valuation thereof.

The Sub-Fund may also carry out, in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592), any transactions for the purpose of efficient portfolio management such as repurchase agreements which consist of transactions whereby, at maturity, the buyer (the counterparty) has the obligation to return the asset to the Sub-Fund and the Sub-Fund has the obligation to buy back the asset sold under the terms of the agreement.

The counterparties to these transactions will not assume any discretion over the composition of the Sub-Fund's or over the underlying of the OTC Derivatives.

Should the Sub-Fund conclude transactions including efficient portfolio management techniques where securities are received by the Sub-Fund, the Sub-Fund shall not sell those securities or give them to a third party as a guarantee/security.

The Sub-Fund may enter into securities lending or borrowing transactions or any collateral transactions if required to do so when using other OTC Derivatives as described above in which case the collateral transaction will be dealt with in accordance with applicable laws and regulations (including but not limited to CSSF Circular 08/356 and CSSF Circular 14/592) and the restrictions contained in section E.3 of the section "Investment Powers and Restrictions" of the main part of the Prospectus. The collateral received by the Sub-Fund will be limited to cash in the reference currency of the Sub-Fund or securities that would be eligible to the Sub-Fund for direct investment, as described above.

The Sub-Fund will not invest more than 10% of its net assets into UCIs.

Within the limits set forth in this Prospectus and on an ancillary basis, the Sub-Fund may hold cash and cash equivalents.

Despite all measures taken by the Sub-Fund to reach its objectives, these measures are subject to independent risk factors like changes in the fiscal, banking or commercial regulations. No guarantee whatsoever may be offered to the investors in the Sub-Fund in respect of the impact of these changes on the Sub-Fund.

The Sub-Fund may be eligible to the Liquidity Coverage Ratio (LCR) within meaning of the European Union Capital Requirement Directive (n° 2013/36/EU) and the Capital Requirement Regulation (n° 575/2013). However, the Management Company and/or the Company make no representation nor provide any warranty regarding the fiscal, accounting, regulatory or any other treatment of the Shares. Investors must consult their advisors before investing in the Sub-Fund.

ELIGIBILITY OF THE SUB-FUND

According to the investment objective and policy described above, the Sub-Fund will not invest more than 10% of its assets in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by Directive 2009/65/EC.

TARGETED INVESTORS

The Sub-Fund is offered to investors wishing to obtain a diversified, risk-based exposure to fixed income debt securities issued (or guaranteed) by Eligible Issuers as detailed above.

RISK MANAGEMENT

The global exposure determination methodology used for the risk monitoring of the Sub-Fund is the commitment approach.

CLASSES OF SHARES

The Sub-Fund will issue the following Classes of Shares, subject to different terms and conditions described below:

Class C (EUR) Class C (USD) Class C (GBP) Class C (CHF) Class C (JPY) Class C (SEK) Class C (NOK) Class C (HKD) Class C (CZK) Class C (BGN) Class C (RON) Class C (HRK) Class C (ZAR)	Class D (EUR) Class D (USD) Class D (GBP) Class D (CHF) Class D (JPY) Class D (SEK) Class D (NOK) Class D (HKD) Class D (CZK) Class D (BGN) Class D (RON) Class D (HRK) Class D (ZAR)
Class R-C (EUR) Class R-C (USD) Class R-C (GBP) Class R-C (CHF) Class R-C (JPY) Class R-C (SEK) Class R-C (NOK) Class R-C (HKD) Class R-C (CZK) Class R-C (BGN) Class R-C (RON) Class R-C (HRK) Class R-C (ZAR)	Class R-D (EUR) Class R-D (USD) Class R-D (GBP) Class R-D (CHF) Class R-D (JPY) Class R-D (SEK) Class R-D (NOK) Class R-D (HKD) Class R-D (CZK) Class R-D (BGN) Class R-D (RON) Class R-D (HRK) Class R-D (ZAR)

Classes C Shares are Capitalisation Shares and are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Classes D Shares are Distribution Shares and are only available to institutional investors within the meaning of article 174 of the 2010 Law.

Class R-C Shares are Capitalisation shares and Class R-D Shares are Distribution Shares. Both Classes R-C and R-D Shares are available to all investors.

Shares will be issued in registered form**.**

Fractions of Shares will be issued to four decimal places.

In order to protect Shareholders of Classes from the impact of currency movements, assets will be hedged back to the Class currency. The costs and effects of this hedging would be reflected in the Net Asset Value and in the performance of these Classes.

MINIMUM INVESTMENT

Initial minimum subscription amount:

Classes C and D (EUR): EUR 10,000,000
Classes C and D (USD): USD 10,000,000
Classes C and D (GBP): GBP 10,000,000
Classes C and D (CHF): CHF 10,000,000
Classes C and D (JPY): JPY 1,000,000,000
Classes C and D (SEK): SEK 100,000,000
Classes C and D (NOK): NOK 100,000,000
Classes C and D (HKD): HKD 100,000,000
Classes C and D (CZK): CZK 250,000,000
Classes C and D (BGN): BGN 20,000,000
Classes C and D (RON): RON 50,000,000
Classes C and D (HRK): HRK 100,000,000
Classes C and D (ZAR): ZAR 150,000,000

Classes R-C and R-D (EUR): EUR 500,000
Classes R-C and R-D (USD): USD 500,000
Classes R-C and R-D (GBP): GBP 500,000
Classes R-C and R-D (CHF): CHF 500,000
Classes R-C and R-D (JPY): JPY 100,000,000
Classes R-C and R-D (SEK): SEK 5,000,000
Classes R-C and R-D (NOK): NOK 5,000,000
Classes R-C and R-D (HKD): HKD 5,000,000
Classes R-C and R-D (CZK): CZK 15,000,000
Classes R-C and R-D (BGN): BGN 1,000,000
Classes R-C and R-D (RON): RON 2,500,000
Classes R-C and R-D (HRK): HRK 5,000,000
Classes R-C and R-D (ZAR): ZAR 10,000,000

Additional minimum subscription amount:

All Share Classes: 1 share

Minimum holding requirements:

Class C Shares: 1 Share
Class D Shares: 1 Share
Class R-C Shares: 1 Share
Class R-D Shares: 1 Share

The Directors may, for each Class of Shares, waive in their discretion the minimum subscription amount, the additional minimum subscription amount and the minimum holding requirements.

SUBSCRIPTION OF SHARES

Requests for subscription of Shares must be given by indicating either an amount of cash denominated in the Class currency or the number of Shares and shall be centralised by the Registrar Agent before Subscription

Deadline, on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for subscriptions forwarded after Subscription Deadline on a Valuation Day shall be deemed to have been received before Subscription Deadline on the following Valuation Day.

Payment for Shares must be received by the Custodian Bank and Paying Agent not later than two Business Days after the relevant Valuation Day, except that the Board of Directors may decide otherwise.

REDEMPTION OF SHARES

Requests for redemption of Shares must be given by indicating the number of Shares and shall be centralised by the Registrar Agent before Redemption Deadline, on each Valuation Day (as defined hereunder) and processed at the Net Asset Value calculated as of such Valuation Day. Requests for redemptions forwarded after Redemption Deadline on a Valuation Day shall be deemed to have been received before Redemption Deadline on the following Valuation Day.

Payment for Shares redeemed will be effected as soon as possible but not later than two Business Days (as defined hereunder) after the relevant Valuation Day.

Different time limits may apply if subscriptions and/or redemptions are made through intermediaries (including but not limited to correspondent banks appointed in any given country).

FEES CHARGED TO INVESTORS WHEN BUYING OR SELLING SHARES OF THE SUB-FUND.

Subscription Charges:

For any request for subscription: up to an aggregate amount of 2.5% of the Net Asset Value per Share of Class C, D, R-C and R-D Shares multiplied by the number of Shares subscribed payable to the Management Company or any distributor or placing agent of the Shares.

Redemption Charges:

For any request for redemption: no Redemption Charges will be applied.

DISTRIBUTION POLICY

Distribution Shares: in relation to Distribution Shares the Sub-Fund intends to distribute on an annual basis dividends in the form of cash out of the investment income and/or of the net capital gains at the Management Company's discretion provided that the Board of Directors may decide to distribute interim dividends on a monthly, quarterly or other frequency basis. If investment income and the net capital gains are insufficient to pay distributions as declared, the Sub-Fund may determine such distributions be paid from capital.

DEFINITIONS

"Business Day": any full working day in Luxembourg and in Paris when the banks are opened for business.

"Valuation Day": any Business Day.

"Subscription Deadline" and "Redemption Deadline": any Valuation Day at 11:00 am (Luxembourg time) at the latest.

MANAGEMENT COMPANY FEES

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Management Company will receive a Management Fee out of the assets of the Sub-Fund, quarterly in arrears, as follows:

- Class C: up to 0.15% per year (inclusive of VAT) of the Net Asset Value
- Class D: up to 0.15% per year (inclusive of VAT) of the Net Asset Value
- Class R-C: up to 0.30% per year (inclusive of VAT) of the Net Asset Value
- Class R-D: up to 0.30% per year (inclusive of VAT) of the Net Asset Value

INITIAL NET ASSET VALUE

The initial Net Asset Value per Share at the Inception Date (as defined hereafter) is given in the table below.

Classes C and D (EUR): 100,000
Classes C and D (USD): 100,000
Classes C and D (GBP): 100,000
Classes C and D (CHF): 100,000
Classes C and D (JPY): 10,000,000
Classes C and D (SEK): 1,000,000
Classes C and D (NOK): 1,000,000
Classes C and D (HKD): 1,000,000
Classes C and D (CZK): 1,000,000
Classes C and D (BGN): 100,000
Classes C and D (RON): 100,000
Classes C and D (HRK): 1,000,000
Classes C and D (ZAR): 1,000,000

Classes R-C and R-D (EUR): 100,000
Classes R-C and R-D (USD): 100,000
Classes R-C and R-D (GBP): 100,000
Classes R-C and R-D (CHF): 100,000
Classes R-C and R-D (JPY): 10,000,000
Classes R-C and R-D (SEK): 1,000,000
Classes R-C and R-D (NOK): 1,000,000
Classes R-C and R-D (HKD): 1,000,000
Classes R-C and R-D (CZK): 1,000,000
Classes R-C and R-D (BGN): 100,000
Classes R-C and R-D (RON): 100,000
Classes R-C and R-D (HRK): 1,000,000
Classes R-C and R-D (ZAR): 1,000,000

The Sub-Fund will be launched on November 18, 2014 or at any other date after such date as may be determined by the Board of Directors at its discretion (the "**Inception Date**").

PERFORMANCE FEE

In addition to Management Company Fees, the Management Company shall receive out of the assets of the Sub-Fund a Performance Fee equal to the Performance Rate multiplied by the Class Excess Performance.

The Performance Fee becomes due in the event of outperformance, that is, if the increase of the Net Asset Value of the relevant Class during the relevant Class Incentive Period exceeds the increase in the relevant Benchmark Value over the same period, in accordance with the high water mark principle.

The Performance Fee is equal to the Performance Rate multiplied by the Class Excess Performance.

A Performance Fee of the relevant Class is accrued on each Valuation Day, on the basis of the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark.

On each Valuation Day, the accounting provision is adjusted to reflect the Class performance, positive or negative. If the Net Asset Value of the relevant Class is lower than the Benchmark Value or the High Water Mark, the provision made is returned to the relevant Class. The accounting provision may never be negative.

For each of Classes C and D Shares only, the total amount of Performance Fee paid to the Management Company at the end of any given Class Incentive Period will not exceed 0.20% of the Class Excess Performance. The excess, if any, shall be carried over to the immediately following Class Incentive Period (as defined below).

In this section:

The "**Performance Rate**" means:

- up to 10% for Class C Shares;
- up to 10% for Class D Shares;
- up to 10% for Class R-C Shares;
- up to 10% for Class R-D Shares;

"**Class Incentive Period (n)**" shall be the period of one year starting as from each 1st January of the year (n) or if it is not a Business Day, on the following Business Day and ending each 31st December of the year (n) or if it is not a Business Day, on the following Business Day.

"**High Water Mark (0)**", of the relevant Class means, for the initial Class Incentive Period, the initial Net Asset Value accrued with the Hurdle Rate.

"**High Water Mark (n)**" of the relevant Class means the Net Asset Value accrued with the Hurdle Rate of the relevant Class at the end of the Class Incentive Period (n-1), unless the High Water Mark (n) is lower than the highest High Water Mark since inception accrued with the Hurdle Rate of the relevant Class, in such case High Water Mark (n) shall be equal to that highest High Water Mark accrued with the Hurdle Rate.

"**Benchmark Value**" of the relevant Class means the hypothetical Net Asset Value starting from the initial Net Asset Value of the relevant Class at inception and assuming a performance based on the Hurdle Rate of the relevant Class.

"**Hurdle Rate**" means the rate defined at the beginning of the Class Incentive Period by:

- EONIA capitalised rate for Classes denominated in EUR;
- Fed Funds rate for Classes denominated in USD;
- Libor GBP 1W rate for Classes denominated in GBP;
- Libor-CHF 1W rate for Classes denominated in CHF;
- Libor-JPY 1W rate for Classes denominated in JPY;
- Libor SEK 1M rate for Classes denominated in SEK;
- Libor NOK 1M rate for Classes denominated in NOK;

- Libor HKD 1M rate for Classes denominated in HKD;
- Czech Interbank Offer Rate (CZK) 1M rate for Classes denominated in CZK;
- SOFIBOR (BGN) 1M rate for Classes denominated in BGN;
- ROBOR (RON) 1M rate for Classes denominated in RON;
- Croatia Zagreb Interbank Offer Rate (ZIBOR) 1M rate for Classes denominated in HRK;
- South Africa Johannesburg Interbank Agreed Rate 1M rate for Classes denominated in ZAR.

If the Hurdle Rate of the relevant Class is lower than 0, it will be valued at 0.

For the avoidance of doubt, the Hurdle rates defined above, are compounded on each Business Day at the prevailing rate.

"**Class Excess Performance**" means, for any Class Incentive Period (n), the difference between the Net Asset Value of the relevant Class (before deduction of any provision for the performance fee) and the higher of the Benchmark Value and the High Water Mark (n).

Investors should note that the Sub-Fund does not perform equalization or issue of series units for the purposes of determining the Performance Fee. The use of equalization or issue of series units ensures that the incentive fee payable by an investor is directly referable to the specific performance of such individual investor's shareholding in the Sub-Fund.

The current methodology for calculating the Performance Fee as set out above involves adjusting the Net Asset Value of the each Class of any provision for accrual for the Performance Fee on each Valuation Day during the Class Incentive Period. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Class Incentive Period and the timing of subscriptions and redemptions to the Class during the course of such Class Incentive Period.

Investors should further note that, in the case where they have redeemed their Shares before the end of any Class Incentive Period, any accrued but unpaid Performance Fee in respect of their holding (irrespective of any applicable maximum as the case may be) during such Period will be kept and paid to the Management Company, even if this Performance Fee should not be paid to him at the end of the said period.

THE ADMINISTRATOR, REGISTRAR AGENT AND CUSTODIAN BANK FEES

By derogation the provisions of "Company Charges" set out in the Prospectus, the Custodian Bank and Paying Agent, the Administrative, Corporate and Domiciliary Agent and the Registrar and Transfer Agent will receive a fee (the "Administrative Fees") payable monthly in arrears out of the Sub-Fund 'assets of up to 0.20% per year (inclusive of VAT) of the Net Asset Value of the Shares. Such Administrative Fees may be paid to the Management Company which will subsequently pay the Custodian and Paying Agent, the Administrative, Corporate and Domiciliary Agent and the Registrar and Transfer Agent.

OTHER CHARGES AND EXPENSES

By derogation to the provisions of "Company Charges" set out in the Prospectus, the Other Charges and Expenses specific to the Sub-Fund or a Class will be borne by the Management Company being that the Management Company is entitled to charge the Sub-Fund with all or part of such Other Charges and Expenses or have them paid by the Sub-Fund directly**.**

However part of the Other Charges and Expenses borne by the Sub-Fund in connection with the formation of the Sub-Fund and the initial issue of Shares by the Sub-Fund, if any, (including those incurred in the preparation and publication of the sales documents of the Sub-Fund, all legal, fiscal and printing costs, as well as certain launch expenses (including advertising costs) and other preliminary expenses) shall be written off over a period not exceeding five years and in such amount in each year as determined by the Board of Directors on an equitable basis.

In all cases the aggregate amount of both the Administrative Fees and the Other Charges and Expenses borne by the Sub-Fund shall be limited in respect of each Class of Shares to a level of up to 0.20% per year of the Net Asset Value of each relevant Class.

LISTING

It might be contemplated in the future to make an application to list the Shares of the Sub-Fund on one or more European stock exchanges.

PUBLICATION OF THE NET ASSET VALUE

The Net Asset Value per Share will be available at the registered office of the Company and will be published on www.fundsquare.net.

COMPULSORY REDEMPTION

In accordance with the provisions of the Articles of Incorporation, the Company is entitled to compulsorily redeem all Shares of the Sub-Fund where the aggregate Net Asset Value of the Sub-Fund at any time falls below EUR 50 million.

RISKS WARNING

Without any prejudice to the provisions of the Section "Investment Risks" specified in the Prospectus it is reminded that given the Investment Policy of the Sub-Fund, an investment in the Sub-Fund carries substantial risks and is suitable only for investors who can bear the risk of losing a substantial part of their investment. Prospective investors should consider, amongst others, the following factors before subscribing for Shares:

Risk of loss of invested capital

Despite all measures taken by the Company to reach its objectives, no guarantee whatsoever may be offered to the investor in this regard. Share values of the Sub-Fund are subject to market fluctuation as with all investment funds. As a result, the Share values may go up or down. Investors' attention is drawn on the fact that there is no capital protection or guarantee so that, investors can lose their capital in part or in whole.

Counterparty risk

The Sub-Fund shall be exposed to the counterparty risk resulting from the use of OTC Derivatives and/or if any, of the repurchase agreements used for efficient portfolio management. The Sub-Fund is therefore exposed to the risk that the counterparty, if it defaults, may not be able to honour its commitments with regard to the OTC Derivatives and/or, if any, the repurchase agreements. When summed over all OTC Derivatives and/or repurchase agreements, the counterparty risk cannot exceed 10% of the Sub-Fund's Net Asset Value by counterparty, provided such counterparty is a credit institution referred to in Article 45 paragraph (1) point f) of the 2010 Law.

Credit Risk

The Sub-Fund will be exposed to the credit risk of the issuers of the Bonds in which it invests. Any deterioration in the intrinsic credit quality of the issuer or in the rating provided by rating agencies, or any adverse movement in the credit spread associated with the issuer could negatively affect the value of the Bonds and cause losses or a diminution of the Shares' Net Asset Value.

If any of the Bonds issuers were to delay or forego the payment of coupons or capital (in other words, to default) on any securities it has issued, the Sub-Fund would suffer severe losses whether or not the specific issue on which the default event occurred is invested by the Sub-Fund.

Concentration Risk

Even if the Management Company will aim at diversifying the risk across issuers and issues, the Sub-Fund could remain exposed to a relatively limited number of Bonds issuers or issues according to the applicable laws and regulations (including but not limited to the 2010 Law). This concentration could amplify the effects of certain risk factors, in particular the "Credit Risk" described above.

Interest Rate Risk

The Sub-Fund could use OTC Derivatives or Listed Derivatives to cover (or hedge) part of the interest rate risk associated to the Bonds invested by the Sub-Fund. However, investors' attention is drawn to the fact that this hedge will not be perfect and the Sub-Fund will remain partly exposed to movements in the interest rate curve.

Inflation Risk

The Sub-Fund could invest in fixed income securities paying coupons and/or return an amount of capital that is based (or indexed) on some measure of inflation, the example the Consumer Price Index. In such a case, the Sub-Fund would be negatively impacted by adverse movements in the expected rate of inflation.

Foreign Exchange Risk

The Sub-Fund will use OTC or Listed Derivatives to cover (or hedge) part of the foreign exchange risk associated with classes denominated in a currency other than the assets of the Sub-Fund. However, Investors' attention is drawn to the fact that this hedge will not be perfect and the Sub-Fund will remain partly exposed to movements in the foreign exchange rates.

Model Risk

The Sub-Fund's performance largely depends on a risk-based asset allocation methodology, in which credit spreads, their volatility and their correlation are used as issuers' risk measures. The model or its risk measures might prove inefficient or sub-optimal. In addition, Investors' attention is drawn to the fact that the model aims at diversifying risk and does not aim at allocating the assets to generate the highest possible level of return for a given level of risk, which might prove sub-optimal for Investors who wish to obtain the highest possible level of return on investment.

Risk linked to the use of Repurchase Agreements

If the counterparty of a repurchase agreement to which securities have been sold fails to honour its commitment to return the securities in accordance with the terms of the agreement, the Sub-Fund may incur a loss to the extent that the proceeds realised on the sale of the collateral are less than the repurchase price. The relevant Sub-Fund may experience both delays in liquidating the collateral and losses during the period while it seeks to enforce its rights to the underlying securities, including reduced income during the period of enforcement and expenses in enforcing its rights.

Listed Derivatives and OTC Derivatives Risk

The Sub-Fund may make use of both exchange-traded and over-the-counter financial derivative instruments, including, but not limited to, forwards and swaps for hedging purpose. Fluctuations in the price of a financial derivative instrument and its underlying may differ, hence financial derivative instruments might not perfectly cover (or hedge) the risk. In addition, daily limits on price fluctuations may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter financial derivative instruments may involve additional risks as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to accurately assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies of over-the-counter transactions can also increase risk.