ASSET MANAGEMENT BY LYXOR

Paris-La Défense, June 26, 2014

SUBJECT: Changes in below-mentioned fund:

NAME OF THE ETF	ISIN CODE
LYXOR UCITS ETF IBEX 35	**FR0010251744**

Dear Sir or Madame,

We hereby inform you that LYXOR INTERNATIONAL ASSET MANAGEMENT acting as the management company of the aforementioned *fonds commun de placement* (hereinafter: "**the Fund**"), has decided to make the following change:

1- The operation:

- Change in investment strategy involving the management method

This operation was certified by the French Financial Markets Authority (*AMF*) on June, 5 2014.

In response to investor requests, Lyxor International Asset Management has decided to expand its range of physical ETFs while modifying the Fund's investment strategy.
The management method used effective on July 11, 2014 will be so-called "physical" replication of the IBEX 35 NET RETURN index (hereinafter the "**Benchmark**"). This consists in ensuring that the Fund portfolio is invested directly and principally in Benchmark component shares, thus allowing the Fund to achieve its investment objective. Reminder: the investment strategy used until July, 10 2014 consisted in matching the Benchmark's performance via a swap contract.

Effective on July 11, 2014, the Fund may, on an accessory basis and in the best interests of unit-holders, use forward financial instruments traded over the counter or on a regulated market.
The Fund may also use efficient portfolio management techniques, including temporary divestments of financial securities.

For this purpose, a change has been made to the "Investment strategy" section of the prospectus and key investment information document (KIID) describing the financial instruments in which the Fund may invest for the purpose of achieving its investment objective.

2- Changes entailed by the operation

- the risk profile

  - Change in the risk/return profile: Yes

The change in the investment strategy entails a change in the "Risk profile" section of the prospectus. This results in a change in derivatives risk and counterparty risk. In addition, a risk incurred by temporary divestments of financial securities has been added.

  - Increase in the risk/return profile: No

  - Increase in fees: No

- All changes to the prospectus are described in the Appendix below.

<u>Change in Fund name</u>

The management company has decided to change the Fund's name as stated in the table below:

Fund name	Name of Fund, effective on July 11, 2014
LYXOR UCITS ETF IBEX 35	LYXOR UCITS ETF IBEX 35 (DR)

3- Items that investors should keep in mind

We remind you that it is necessary and important to read the Fund prospectus and Key Investor Information Document (KIID), which are available at www.lyxoretf.fr. These same documents may also be viewed on the AMF website at www.amf-france.org, and are available on request from the delegated financial manager.

The full prospectus, the Key Information for Investors Document, the Articles of Association, as well as the latest annual or semi-annual report are available free of charge from the Paying and Information Agent in Germany (Société Générale, Frankfurt am Main branch of Société Générale S.A. Paris, Neue Mainzer Straße 46-50, 60311 Frankfurt/Main).

We ask you to keep in regular touch with your advisor for any additional information on your investments.

The Management Company

APPENDIX: Comparative table of changes

<table>
<tr><th></th><th>BEFORE</th><th>AFTER</th></tr>
<tr><td>- Investment strategy</td><td></td><td></td></tr>
<tr><td>1. Strategy used</td><td>To match the Benchmark's performance as closely as possible, the Fund will be exposed to the Benchmark via indirect replication, which means that the Fund will: (i) buy a basket of balance sheet assets (as defined below) and international equities in particular; and (ii) enter into an over-the-counter swap allowing the Fund to achieve its investment objective while transforming its exposure to these balance sheet assets into exposure to a Benchmark.

Shares owned by the Fund will include Benchmark component shares, as well as other international equities, from all economic sectors, listed on all markets, including small cap markets.

The aforementioned shares shall be chosen on the basis of the following criteria:
- eligibility, including:
o membership in the main market indices or the Benchmark;
o liquidity (minimum thresholds on average daily transaction volumes and market caps)
o rating of the country where the corporate headquarters are located (required minimum threshold in S&P rating or the equivalent)
- diversification, including:
o by issuer (enforcement of ratios on a mutual fund's eligible assets as stated in Article. R214-21 of the French Monetary and Financial Code)
o geographical;
o by sector.

The basket of shares owned may be adjusted daily so that its value is equal to or higher than 100% of net asset value in most cases. Where applicable, this adjustment shall aim to keep the market value of the aforementioned swap equal to or below zero, which will help neutralise the counterparty risk created by the swap contract.

For more information on the aforementioned eligibility and diversification criteria, particularly the list of eligible indices, investors are asked to go to the website: www.lyxoretf.com

Information on: (i) the updated breakdown of the basket of balance sheets assets held in the Fund's portfolio; and (ii) the market value of the swap contract entered into by the Fund, is available on the dedicated Fund page at www.lyxoretf.com. The frequency of updating and/or the date on which the aforementioned information was last updated is also stated on the same page of the</td><td>To match the Benchmark's performance as closely as possible, the Fund will use direct replication, which means that the Fund will invest in a basket of balance-sheet assets consisting of Benchmark component securities.

The Fund may use effective portfolio management techniques in accordance with Article R214-18 of the French Monetary and Financial Code, particularly temporary divestments of financial securities under the conditions given below.

On an accessory basis and always for the purpose of matching the Benchmark's performance as closely as possible, the Fund may also enter into forward financial instrument contracts. These may include index futures and/or hedging swaps entered into in order to minimise the Fund's tracking error.

To give investors full disclosure on the direct replication method chosen (full replication of the Benchmark) and on its consequences in terms of Fund assets, information on the updated breakdown of the balance sheet assets held in the Fund portfolio is available on the dedicated Fund page at www.lyxoretf.com. The frequency of updating and/or the date on which the aforementioned information was last updated is also stated on the same page of the aforementioned website.</td></tr>
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	aforementioned website.	
2. Balance sheet assets (excluding embedded derivatives)	Within the limits of regulatory ratios, the Fund may hold international equities (from any economic sectors and listed on any market).	Within the limits of regulatory ratios, the Fund may hold financial instruments of all types. The Fund will be invested mainly in Benchmark shares.
3. Off-balance sheet assets (derivatives)	The Fund will use over-the-counter index-linked swaps exchanging the value of the Fund's shares (or any other financial instrument or asset held by the Fund, where applicable) for the Benchmark's value. For future optimisation of Fund management, the manager reserves the right to use other instruments up to the limit allowed by regulations, in order to achieve its investment objective, such as forward financial instruments other than index-linked swaps. In accordance with its best execution policy, the management company considers Société Générale to be the counterparty that is generally able to obtain the best possible result on said forward financial instruments. Hence, said forward financial instruments (including index-linked swaps) may be traded with Société Générale without prior competitive bidding by several counterparties. The counterparty of the aforementioned forward financial instruments (the "**Counterparty**") shall not have discretionary power on the composition of the Fund's investment portfolio, or on the assets underlying the forward financial instruments.	The Fund may use forward financial instruments traded on a regulated market or over the counter. If over-the-counter forward financial instruments are used, and in accordance with its best execution policy, the management company considers that Société Générale is the counterparty that would generally be able to obtain best possible result on the forward financial instruments that the Fund may enter into for hedging purposes, in accordance with its investment strategy. Hence, some or all of these financial instruments may be traded with Société Générale without prior competitive bidding by several counterparties.
7. Temporary acquisitions and divestments of securities	None. The manager shall not make use of temporary acquisitions and/or divestments of securities.	The Fund may use efficient portfolio management techniques in accordance with Article R214-18 of the French Monetary and Financial Code, particularly with regard to temporary divestments of financial securities. For this purpose the management company may appoint an intermediary (hereinafter: the "**Agent**"), in charge of the missions stated below involving temporary divestments by the Fund. If an Agent is used, it will be authorised (i) to undertake, on the Fund's behalf, securities lending transactions structured under Global Master Securities Lending Agreements (GMSLA)) and/or any other recognised international master agreements; and (ii) to invest, on the Fund's behalf, the cash received from these securities lending transactions, in accordance with the limits set by the securities lending agreement, the rules of this prospectus and current regulations.

		If such temporary divestments are made, all income from such transactions, net of direct and indirect operating costs, shall be returned to the Fund. The aforementioned operating costs incurred for efficient portfolio management are those borne by the Fund management company, the Agent and/or other intermediaries involved in these operations in tandem with their services. These direct or indirect operating costs shall be calculated in the form of a percentage of gross income generated by the Fund. Information on direct and indirect operating costs, as well as the identity of entities to which these costs are paid shall be mentioned in the Fund's annual report. Income generated by securities lending transactions (minus direct and indirect operating costs borne by the Agent and, where applicable, by the management company) must be paid into the Fund concerned. To the extent that these direct and indirect costs do not increase the Fund's operating costs they have been excluded from current fees. The Fund's annual report shall include, where applicable, the following details: - exposure generated by efficient portfolio management techniques; - the identity of the counterparty(ies) of these efficient portfolio management techniques; - the type and amount of guarantees received by the Fund in order to reduce counterparty risk; and - income from efficient portfolio management techniques for the entire period concerned, as well as direct and indirect operating costs and fees.
8. Financial guarantees	None. No financial guarantee will be granted or received by the Fund as it seeks to achieve its investment objective.	When the Fund makes use of temporary divestments of securities, it must receive securities and/or cash that are considered as guarantees, in order to mitigate the counterparty risk incurred by these temporary divestments. Any financial guarantee received by the Fund for this purpose must comply with the criteria stated in current laws and regulations, particularly as regards liquidity, valuation, credit quality of issuers, correlation, risks incurred in managing guarantees, and applicability. Guarantees received must comply with the following conditions in particular: (a) any non-cash guarantee received must of high quality, highly liquid and traded on a regulated market or a multilateral trading platform with transparent pricing, so that it can be sold rapidly at a price close to the preliminary valuation; (b) they must be valued at least daily and assets subject to steep price volatility must not be accepted as guarantees without applying a sufficiently prudent discount; (c) they must have been issued by an entity that is independent of the counterparty and must not be closely

		correlated with the counterparty's performances; (d) they must be sufficiently diversified in terms of countries, markets and issuers, with the Fund's NAV no more than 20% exposed to any single issuer; (e) they must at any time be able to be fully implemented by the Fund management company without consulting the counterparty or its approval. **In accordance with the aforementioned conditions, guarantees received by the Fund may include:** (i) liquid assets or equivalents, including cash, short-term bank deposits and money-market instruments; (ii) bonds issued or guaranteed by an OECD member-state or by a local government thereof, or by supranational institutions and entities of an EU, regional or global nature, or by any other country as long as conditions (a) to (e) (above) have been fully complied with. (iii) shares or units issued by money-market funds calculating a daily net asset value and rated AAA or the equivalent; (iv) shares or units issued by mutual funds investing mainly in the bonds and shares stated in points (v) and (vi) below; (v) bonds issued or guaranteed by high-grade issuers offering sufficient liquidity; (vi) shares admitted to, or traded on, a regulated market in a EU member-state, a market of an OECD member-state, or a market of another country, as long as conditions (a) to (e) (below) are complied with in full and that these shares are in a first-tier index. **<u>Policy on discounts:</u>** The Fund management company shall charge a margin on the financial guarantees received by the Fund for these temporary securities divestments. The margins charged will depend mainly on the criteria below: - Nature of the asset received as a guarantee; - Maturity of the asset received as a guarantee (where applicable) - Rating of the issuer of the asset received as a guarantee (where applicable) Guarantees received in a currency other than the euro may be charged an additional margin. **<u>Reinvestment of guarantees received:</u>** Financial guarantees received in a form other than cash shall not be sold, reinvested or put up as collateral. Cash guaranties received shall be, at the manager's discretion: (i) deposited with an accredited establishment; (ii) invested in highly rated government bonds; (iii) used for reverse repurchase transactions as long as such transactions are entered into with credit establishments that are subject to prudential supervision and that the mutual fund may at any time recall the total amount of liquidity including accrued interest; (iv) invested in short-term money-market funds as defined in the orientations for a common definition of European collective investment schemes. Cash financial guarantees that are invested must be diversified in

		accordance with requirements for non-cash financial guarantees.
- **Risk profile**	**Derivatives risk:** To achieve its investment objective, the Fund uses forward financial instrument traded over the counter, for example swaps, allowing it to match the Benchmark's performance. Such forward financial instruments can incur a series of risks at the level of the forward financial instrument, in particular: counterparty risk, an event affecting the hedge, an event affecting the Benchmark, tax risk, regulatory risk, operating risk and liquidity risks. These risks may affect a forward financial instrument directly and could trigger an adjustment or even early termination of the transaction involving the forward financial instrument, which could, in turn, affect the Fund's net asset value.	**Derivatives risk:** The Fund may use forward financial instrument traded over the counter or listed forward financial instrument, particularly forward swaps. The use of forward financial instrument may incur a series of risks at the level of the forward financial instrument, in particular: counterparty risk, an event affecting the hedge, an event affecting the Benchmark, tax risk, regulatory risk, operating risk and liquidity risks. These risks may affect a forward financial instrument directly and could trigger an adjustment or even early termination of the transaction involving the forward financial instrument, which could, in turn, affect the Fund's net asset value.
	Counterparty risk: The Fund is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or a transaction. It is particularly exposed to counterparty risk resulting from its use of forward financial instrument traded over the counter with Société Générale or with any other counterparty. In accordance with UCITS regulations, the counterparty risk (whether this counterparty is Société Générale or any other entity) may not exceed 10% of the total value of Fund assets per counterparty. In the event of counterparty default, the forward financial instrument contract may be terminated early. The Fund shall in this case do its utmost to achieve its investment objective, where applicable by entering into another forward financial instrument contract with an external counterparty at the market conditions prevailing when the event occurred. The realisation of this risk could, for example, affect the Fund's ability to achieve its investment objective, i.e., the replication of the Benchmark. When Société Générale steps in as counterparty of the forward financial instrument, conflicts of interest may arise between the Fund management company and the counterparty of the forward financial instrument. The management company manages its conflicts of interest by implementing procedures to identify, limit, and resolve them equitably when they do occur.	**Counterparty risk:** The Fund may use forward financial instruments on an accessory basis. If so, the Fund will be exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. Il will be exposed in particular to the counterparty risk resulting from its use of over-the-counter forward financial instruments. In accordance with UCITS regulations, counterparty risk cannot exceed 10% of the Fund's total asset value per counterparty. When Société Générale steps in as counterparty of the forward financial instrument and/or any other temporary divestment of securities, conflicts of interest may arise between the Fund management company and the counterparty of the forward financial instrument. The management company manages its conflicts of interest by implementing procedures to identify, limit, and resolve them equitably when they do occur.
	Nothing	Risk incurred from temporary divestments of securities: In the event that the borrower of the financial securities defaults, the Fund may incur a risk if the value of the guarantees received is below the value of securities lent by the Fund. This risk could materialise in the event of: (i) a misevaluation of the securities involved in the transaction; and/or (ii) unfavourable shifts on the markets; and/or (iii) a downgrade in the rating of the issuer of securities received as guarantee, and/or (iv) illiquidity on the market on which the guarantees received are traded. If cash guarantees are reinvested, this reinvestment could: (i) generate leverage and, hence, a risk of loss and volatility; and/or (ii) expose the Fund to a market that is not suited to its investment objective; and/or (iii) generate income that is below the amount of the guarantees to be returned by the Fund. The Fund could also suffer

		delays in recovering its lent securities, thus reducing its ability to honour investor redemption orders.