

EXCHANGE TRADED FUNDS BY

LYXOR

LYXOR ETF MSCI TAIWAN

UNAUDITED SEMI ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period from March 1, 2008 to August 29, 2008

LYXOR ETF MSCI TAIWAN

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LYXOR ETF MSCI TAIWAN

ADMINISTRATION

Manager

Lyxor International Asset Management
Tour Société Générale
17 Cours Valmy
92987 Paris-La Défense
France

Depository bank and Registrar

Société Générale
29 boulevard Haussmann
75009 Paris
France

Administrative Agent

Euro-VL
10, passage de l'Arche
Immeuble Colline Sud
92034 Paris La Défense
France

Auditors

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine
France

Singapore Representative

RBC Dexia Trust Services Singapore Limited
20 Cecil Street
Equity Plaza #28-01
Singapore 049705

LYXOR ETF MSCI TAIWAN

BALANCE SHEET
AS AT AUGUST 29, 2008

	Note	AUGUST 29, 2008 USD	FEBRUARY 29, 2008 USD
Assets			
Investments		73,656,958.34	30,764,379.42
Swap		5,156,148.92	3,291,582.78
		<hr/>	<hr/>
Financial assets at fair value through profit or loss	2(c)	78,813,107.26	34,055,962.20
Receivable on pending trades		0.00	631,439.94
Cash at bank	2(g)	3,424,000.94	116.54
Others receivables	2(d)	0.00	0.00
		<hr/>	<hr/>
Total assets		82,237,108.20	34,687,518.68
Liabilities			
Provision for management fees		82,921.81	30,510.16
Payable on pending trades		3,424,000.94	631,427.03
Accrued expenses and other payables	2(d)	0.00	0.00
Liabilities (excluding net assets attributable to holders of redeemable participating units)		(3,506,922.75)	661,937.19
Net assets attributable to holders of redeemable participating units		78,730,185.45	34,025,581.49
		<hr/>	<hr/>
Total Liabilities		82,237,108.20	34,687,518.68

The accompanying notes form an integral part of these financial statements.

LYXOR ETF MSCI TAIWAN

INCOME STATEMENT
FOR THE PERIOD FROM MARCH 1, 2008 TO AUGUST 29, 2008

	Note	AUGUST 29, 2008 USD	FEBRUARY 29, 2008 USD
Income			
Interest income	2(e)	22,280.70	1,876,506.21
Realised gain / (loss) on investments		(5,200,747.46)	838,405.00
Realised gain / (loss) on derivate financial instruments		(4,756,426.64)	2,707,056.90
Net change in unrealised gain/(loss) on investments		(3,790,675.94)	(1,358,501.89)
Net change in unrealised gain/(loss) on derivate financial instruments		(2,550,747.09)	630,622.35
Net gain / (loss) on financial assets at fair value through profit or loss	2(c)	(16,298,597.13)	2,817,582.36
Total Investment Income / (loss)		(16,276,316.43)	4,694,088.57
Expenses			
Interest expense		0.00	(1,487.53)
Management and other fees	3	(210,449.44)	(181,710.70)
Total Operating expenses		(210,449.44)	(183,198.23)
Operating profit / (loss)		(16,486,765.87)	4,510,890.34
Finance costs			
Distributions to holders of redeemable participating units	4	(1,338,681.10)	0.00
Total Finance costs		(1,338,681.10)	0.00
Increase / (decrease) in net assets attributable to holders of redeemable participating units from operations		(17,825,446.97)	4,510,890.34

The accompanying notes form an integral part of these financial statements.

LYXOR ETF MSCI TAIWAN

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS
FOR THE PERIOD FROM MARCH 1, 2008 TO AUGUST 29, 2008

	Note	AUGUST 29, 2008 USD	FEBRUARY 29, 2008 USD
Net assets attributable to holders of redeemable participating units at 1 March 2008		34,025,581.49	0.00
Proceeds from redeemable participating units issued	7	62,530,052.00	29,514,691.15
Redemptions of redeemable participating units	7	(1.07)	0.00
Total		96,555,632.42	29,514,691.15
Distribution to holders of redeemable participating units	4	(1,338,681.10)	0.00
Operating profit / (loss)		(16,486,765.87)	4,510,890.34
Net assets attributable to holders of redeemable participating units at 29 August 2008	8	78,730,185.45	34,025,581.49

The accompanying notes form an integral part of these financial statements.

LYXOR ETF MSCI TAIWAN
CASH FLOW STATEMENT
FOR THE PERIOD FROM MARCH 1, 2008 TO AUGUST 29, 2008

	AUGUST 29, 2008	FEBRUARY 29, 2008
	USD	USD
Cash flows from operating activities		
Purchase of financial assets and settlement of financial liabilities	(284,448,239.97)	(178,078,067.20)
Proceeds from sale of investments	235,988,251.50	144,871,991.59
Proceeds from derivative financial instruments	(9,171,739.87)	46,096.47
Net proceeds from forward foreign exchange contracts	0.00	0.00
Interest received	22,280.70	1,884,076.19
Operating expenses paid	(158,037.79)	(151,200.54)
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	(57,767,485.43)	(31,427,103.49)
Cash flows from financing activities		
Distributions paid to holders of redeemable shares	(1,338,681.10)	0.00
Net proceeds from short term borrowings	0.00	1,912,528.88
Proceeds from redeemable shares	62,530,052.00	29,514,691.15
Redemptions of redeemable shares	(1.07)	0.00
	<hr/>	<hr/>
Net cash (outflow) / inflow from financing activities	61,191,369.83	31,427,220.03
Effect of change in foreign exchange rate on cash	0.00	0.00
Net increase / (decrease) in cash and cashequivalents	3,423,884.40	116.54
Cash and cash equivalents at 29 February 2008	116.54	0.00
Cash and cash equivalents at 29 August 2008	3,424,000.94	116.54

The accompanying notes form an integral part of these financial statements.

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Lyxor ETF MSCI Taiwan ("the Fund") is an open-ended standalone collective investment scheme constituted outside Singapore and recognized under Section 287 of the SFA. The Fund is a *fonds commun de placement* ("FCP") approved by the French financial markets authority, namely the *Autorité des Marchés Financiers* ("AMF" or the "Financial Markets Authority"), on 21 November 2006 and established in France on 13 February 2007. The Fund is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

Following French regulation, the Fund is publishing its financial statements in accordance with French GAAP and in French language. The following IFRS financial statements have been prepared for the purpose of the Fund's listing in Singapore.

The Fund's investment objective is to gain exposure to the Taiwanese equities market by replicating movements in MSCI TAIWAN™ (the "Index") while minimizing as far as possible the tracking error between the Fund's performance and that of the Index.

The Fund aims to achieve a tracking error, calculated over a period of 52 weeks, of less than 1%. Should the tracking error be higher than 1%, however, the Fund still aims to achieve a rate of tracking error that is less than 5% of the volatility of Index.

In order to provide the greatest possible correlation between the Fund's performance with the performance of the Index, the Fund may purchase :

- (i) a basket of international and Euro zone shares from all economic sectors and listed on any recognised exchange including the small capitalisation markets (the "Basket of Stocks");
- (ii) and subject to a limit of 10% of the Fund's assets (as further described in paragraph 7.6 of the prospectus of the Fund ("the Prospectus")), financial derivative instruments on equities and indices negotiated over-the-counter. In particular, the Manager currently intends to enter into swap agreements (the "Swaps") with a counterparty selected by the Manager. The Swaps would essentially exchange the performance of the Index with that of the Basket of Stocks such that the counterparty or the Fund will be required to provide the other with the difference (if any) between (a) the performance of the Index (with cumulated net dividend) and (b) the performance of the Basket of Stocks.

As part of the management of the Basket of Stocks, the Fund qualifies for the special investment ratios applicable to index-based UCITS under the applicable laws in that an index-based UCITS is entitled to use a maximum of 20% of its assets to acquire shares of a single issuing entity, and this 20% limit can be increased to 35% for one of such single issuing entities which the index-based UCITS invests in.

The Fund, nonetheless, currently intends only to invest in accordance with the standard investment restrictions of 10% in a single issuing entity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

(a) Basis of preparations

These financial statements have been prepared on the historical cost basis modified by the revaluation of financial assets and liabilities to fair value and in accordance with International Financial Reporting Standards. The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates included in the financial statements.

Standards, amendments and interpretations effective in the financial year ending February 27, 2009 but not relevant for the Fund's operations:

The following interpretations to existing standards have been published and are mandatory for the Fund's accounting periods beginning on or after March 1, 2008 or later periods but are not relevant for the Fund's operations:

- IFRIC 7, 'Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies' (effective from March 1, 2006);
- IFRIC 8, 'Scope of IFRS 2' (effective from May 1, 2006);
- IFRIC 9, 'Reassessment of Embedded Derivatives' (effective from June 1, 2006);
- IFRIC 10, 'Interim Financial Reporting and Impairment' (effective from November 1, 2006);
- IFRIC 11, IFRS 2 - 'Group and Treasury Share Transactions' (effective from March 1, 2007);
- IFRIC 12, 'Service Concession Agreements' (effective from January 1, 2008);
- IFRIC 13, 'Customer loyalty programmes' (effective from July 1, 2008);
- IFRIC 14, 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from January 1, 2008).

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund:

- IFRS 8 'Operating Segments' ('IFRS 8'), which replaces IAS 14 'Segment Reporting' ('IAS 14'), was issued on November 30, 2006 and is effective for annual periods beginning on or after January 1, 2009. This standard specifies how an entity should report information about its operating segments, based on information about the components of the entity that management uses to make operating decisions;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- IAS 23, 'Borrowing Costs' (effective from January 1, 2009);
- Amendment to IAS 32, 'Financial instruments: Presentation' and IAS 1, 'Presentation of financial statements' - 'Puttable financial instruments and obligations arising on liquidation' (the amendment) (effective from January 1, 2009).

All references to net assets throughout this document refer to net assets attributable to holders of redeemable participating units unless otherwise stated.

(b) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Fund is invested in securities traded on regulated markets and in a performance Swap ("Swap"). In addition, the Cash and cash equivalent is managed so as always be more or less equal to nil. It is therefore not relevant to proceed to a segment analysis.

(c) Functional and presentation currency

Items included in the Fund's financial statements are measured using the primary currency used by investors to subscribe in the Fund. The financial statements are presented in USD, which is the Fund's functional and presentation currency.

(d) Financial assets and liabilities at fair value through profit or loss

Classification

Financial assets and liabilities have been designated by management at fair value through profit or loss at inception.

Recognition

Regular-way purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred.

Measurement

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

The Fund invests in an equity basket and a performance swap. The basket is composed of European and international equities. The Swaps consist in swapping the performance of this basket against the MSCI TAIWAN™ performance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fair value estimation

Listed investments (ie: equities of the basket) are valued at the official close of business bid price on the principal regulated market.

The swap is valued at its fair market value as determined in good faith by the Counterparty using a pricing methodology taking into account observable market data such as time value, intrinsic value, interest rates and dividends, and non observable market data such as correlation between the constituents of the Basket of Stocks and volatility.

The Manager is checking the swap price, using its own pricing methodology which consists in computing a set of parameters (observable traditional market datas such as interest rates, non observable implicit datas such as volatility and correlation) in an independent pricing tool (which is also commonly used by market participants). The pricing is conducted by a dedicated team.

(e) Foreign exchange

The exchange rate used to value instruments in currency is the close fixing WM Reuters of the day before the valuation day.

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the income statement and included in realised and unrealised gains/(loss) on investments.

(f) Accrued expenses

All expenses are accounted for on an accrual basis

(g) Interest income and dividend income

Dividend on equity is credited to Dividend Income in the income statement when the security is quoted at ex-dividend.

(h) Redeemable participating units

The Fund issues redeemable units, which are redeemable at the holder's option and are classified as financial liabilities in accordance with IAS 32, 'Financial Instruments - Presentation'. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The redeemable unit is carried at the redemption amount that is payable at the balance sheet date if the holder exercises the right to put the unit back to the Fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net assets value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of redeemable units with the total number of outstanding redeemable units. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

The Manager of the Fund has not yet analyzed the effects of the Amendment to IAS 32, 'Puttable Financial instruments and Obligations Arising on Liquidation' (effective from January 1, 2009) on the accounts.

(i) Proceeds and payments on issue and redemption of units

The net asset value of the Fund is computed daily.

Prices for issues and redemptions are based on the latest available underlying prices on the day immediately preceding the valuation day (usually the underlying closing prices).

Proceeds and payments for units issued and redeemed during fund life are shown as movements in the statement of changes in net assets attributable to holders of redeemable participating units.

(j) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise bank balances net of bank overdrafts.

3 Fees

Management fees

The operating expenses supported by the Fund represent 0.65 percent per annum of the net assets and this percentage is similar for each class of shares.

These expenses recover all the expenses invoiced directly to the fund, with the exception of transaction fees. Transaction fees include the expenses of brokerage (courtage, stock exchange taxes) and the movement commission, if necessary, which can be notably perceived by the depositary and the management company. Other expenses may be included:

- commissions on flows invoiced to the Fund;
- a share of income of the temporary transactions of acquisitions and sale of securities.

Lyxor International Asset Management is not entitled to receive commissions in kind either for his account or for a third party.

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Distributions payable to holders of redeemable units

Proposed distributions to holders of redeemable shares are recognised in the income statement when they are ratified by the Annual General Meeting. The distribution on these redeemable shares is recognised in the income statement as finance cost.

5 Taxation

The following provisions are not intended to be definitive, comprehensive or exhaustive and must not be viewed as tax advice. Investors should consult their own tax advisers with regard to the tax consequences arising from the acquisition, holding or disposal of Units and of the tax treatment which they may be subject to. The Manager does not accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal of Units.

Singapore tax for Individuals

Individuals resident in Singapore will be exempt from Singapore tax on all foreign-sourced income received in Singapore on or after 1 January 2004, other than income received through a partnership in Singapore. Accordingly, individual investors should generally be exempt from Singapore tax on income distributions received from the Fund (assuming that the Fund's investment income being distributed is not itself Singapore-sourced). It should also be noted that income distributions from the Fund may be treated as Singapore-sourced income in the hands of an investor where the distributions constitute gains or profits from a trade or business carried on by the investor in Singapore.

Investors should also note that the above exemption extends to resident individuals only and not to corporates or other persons or entities.

Disposal/redemption of Units

There is no capital gains tax in Singapore. There are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains arising from the disposal or redemption of Units may be construed as income and subject to income tax, if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore.

6 Bank loans, overdrafts and other borrowings

There are no bank loans, overdrafts and other borrowings as at August 29, 2008.

7 Units in issue

	For the period from March 1, 2008 to August 29, 2008	For the year ended February 29, 2008
Units outstanding at the beginning of the period	28,412,831.000	0.000
Units issued	39,250,000.000	28,412,831.000
Units redeemed	(1.000)	0.000
	<hr/>	<hr/>
Units outstanding at the end of the period	67,662,830.000	28,412,831.000

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Net asset value per unit

As at August 29, 2008

Net assets attributable to holders of Redeemable participating units (share A)	58,516,250.80
Net assets attributable to holders of Redeemable participating units (share B)	15,737,148.20
Net assets attributable to holders of Redeemable participating units (share E)	4,476,786.45
Number of units in issue (share A)	65,412.830
Number of units in issue (share B)	1,750,000.000
Number of units in issue (share E)	500,000.000
Net asset value per unit (share A)	0.89
Net asset value per unit (share B)	8.99
Net asset value per unit (share E)	8.95

The Fund is listed in France, Italy, Switzerland, Germany, Singapore and Hong Kong. Shares A are listed in USD and Shares B are listed in EUR.

9 Transactions with Manager and its connected persons

(a) Investment transactions with connected persons of the Manager

The following is a summary of the transactions entered into during the year between the Fund and the Manager and its connected persons:

Name of company	Aggregate value of purchases and sales of securities USD	% of the Fund's total transactions	% of the Fund's total commission paid in the year	Average rate of commission %
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For the period from March 1, 2008 to August 29, 2008

Société Générale	529,608,231.34	100.00	0.00	0.00
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Year ended February 29, 2008

Société Générale	322,996,155.26	100.00	0.00	0.00
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The Manager, Lyxor International Asset Management, is also a 100% subsidiary of Société Générale.

(b) The Fund utilises the brokerage, custodian, agency and banking services of Société Générale, connected persons of the Manager.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Soft commission arrangements

During the year, the Manager and its connected persons did not enter into any soft commission arrangements with brokers.

11 Stock lending arrangements

There are no stock-lending arrangements.

12 Commitments

There are no commitments.

13 Negotiability of assets

The Fund's assets are not restricted by statutory or contractual requirements and therefore are freely negotiable.

14 Contingent liabilities

There are no contingent liabilities.

15 Post-balance sheet event

There are no post-balance sheet events.

16 Risk factors

The following summary is not intended to be a comprehensive outline of all risks and investors should refer to the Prospectus for a more detailed discussion of the risks inherent in investing in the Fund.

The general risks of investing in the Fund are as follows:

- (a) while the Manager believes that the Fund offers income revenue and potential for capital appreciation, no assurance can be given that these objectives will be achieved. Prospective investors should read this Prospectus and discuss all risks with their financial and legal advisers before making an investment decision;
- (b) Investors may not get back their original investment. Investments in the Fund are not suitable for short term speculation;
- (c) prospective investors should be aware that the price of Units may go down as well as up in response to changes in interest rates, foreign exchange, economic and political conditions and the financial condition of issuers whose securities are in the Index; and

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- (d) dealings in the Units and the calculation of the NAV thereof may be suspended or deferred in certain circumstances.

The specific risks of investing in the Fund are as follows :

Market and Equity risk

The Fund's NAV and trading prices will react to securities markets movements. Investors may lose money over short periods due to fluctuation in the Fund's NAV and trading price in response to market movements, and over longer periods during market downturns.

Notwithstanding the composition of the investment portfolio, the Fund is entirely exposed through the swap to the MSCI TAIWAN™, and is therefore exposed to 100% of market risks linked to movements in equities comprised in the Index. Unitholders are thus exposed to any declines in the Index. The Fund therefore carries an equity high risk profile.

Moreover, there can be no assurance that an active trading market in respect of the Units will be developed or be maintained. There is no certain basis for predicting the actual price levels at, or sizes in, which Units may trade. Further, there can be no assurance that investors in the Units will experience trading or pricing patterns similar to those of market traded shares which are issued by investment companies in other jurisdictions or which are based upon indices other than the Index.

The overall market exposures were as follows:

At 29 August 2008	Fair Value	% Net Assets
Equities at fair value through profit and loss	73,656,958.34	93.56%
Derivative assets at fair value through profit and loss	5,156,151.59	6.55%
Derivate liabilities held for trading	-	-
Securities designated at fair value through profit or loss	-	-
Securities sold short	-	-
At 29 February 2008	Fair Value	% Net Assets
Equities at fair value through profit and loss	30,764,379.42	90.42%
Derivative assets at fair value through profit and loss	3,291,582.78	9.67%
Derivate liabilities held for trading	-	-
Securities designated at fair value through profit or loss	-	-
Securities sold short	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Credit risk, counterparty risk and settlement risk

Credit risk, is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the balance sheet, if any.

Counterparty risk is the risk that the party trading with the Fund will be unable to meet its obligation to make payments or to settle a trade by the counterparty. Due to the Fund structure, basket of equity and Swap contract, the only credit risk is the counterparty risk with Société Générale.

The Fund also bears the risk that the settlement fails for whatever reason.

To minimize those risks, Société Générale has been selected as the only counterparty of the Resetable Swap. As of August 29, 2008, Société Générale had a credit rating of AA- from Standard & Poor's.

Foreign exchange risk

Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency. As the Index replicated by the Fund is calculated in Taiwanese dollars, its constituents are quoted in Taiwanese dollars and the Units are denominated in USD, the Fund and its Holders will be exposed to the fluctuation of the exchange rates for Taiwanese dollars and US dollars.

As the Fund primarily intends to provide investment results that track that of the Index, the Fund does not have a hedging policy and does not intend to enter into any foreign exchange contract in this respect. As far as the Manager or its directors are aware, there is currently no foreign exchange controls or restrictions which are of relevance to the Fund or its investment objective or policy.

The tables below summarises the Fund's exposure to currency risk:

Currency Risk in EUR

At 29 August 2008

Asset :

Cash at bank	-
Financial assets at fair value through profit or loss	69,265,775.86

Liabilities :

Financial liabilities at fair value through profit or loss	-
Other liabilities	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Currency Risk in JPY

At 29 August 2008

Asset :

Cash at bank	-
Financial assets at fair value through profit or loss	3,639,174.83

Liabilities :

Financial liabilities at fair value through profit or loss	-
Other liabilities	-

Currency Risk in SEK

At 29 August 2008

Asset :

Cash at bank	-
Financial assets at fair value through profit or loss	752,007.56

Liabilities :

Financial liabilities at fair value through profit or loss	-
Other liabilities	-

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The table below summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values.

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fixed rate financial assets in USD as at August 29, 2008 :

At 29 August 2008	1 - 3 months	3 months -1 year	1 - 5 years	More than 5 years	Non interest bearing	Total
Asset :						
Financial assets at fair value through profit or loss	-	-	-	-	5,156,151.59	5,156,151.59
Due from the brokers	-	-	-	-	-	-
Other receivables and prepayments	-	-	-	-	-	-
Margin account	-	-	-	-	-	-
Cash at bank	-	-	-	-	3,424,000.94	3,424,000.94
Total Assets	-	-	-	-	8,580,152.53	8,580,152.53
Liabilities :						
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Due to the brokers	-	-	-	-	-	-
Accrued expenses	-	-	-	-	82,921.81	82,921.81
Due to the bank	-	-	-	-	-	-
Redeemable shares	-	-	-	-	78,730,185.45	78,730,185.45
Total liabilities	-	-	-	-	78,813,107.26	78,813,107.26
Total interest sensitivity gap	-	-	-	-	70,232,954.73	70,232,954.73
At 29 February 2008	1 - 3 months	3 months -1 year	1 - 5 years	More than 5 years	Non interest bearing	Total
Asset :						
Financial assets at fair value through profit or loss	-	-	-	-	3,291,582.78	3,291,582.78
Due from the brokers	-	-	-	-	-	-
Other receivables and prepayments	-	-	-	-	-	-
Margin account	-	-	-	-	-	-
Cash at bank	-	-	-	-	116.54	116.54
Total Assets	-	-	-	-	3,291,699.32	3,291,699.32
Liabilities :						
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-
Due to the brokers	-	-	-	-	-	-
Accrued expenses	-	-	-	-	30,510.16	30,510.16
Due to the bank	-	-	-	-	-	-
Redeemable shares	-	-	-	-	34,025,581.49	34,025,581.49
Total liabilities	-	-	-	-	34,056,091.65	34,056,091.65
Total interest sensitivity gap	-	-	-	-	(30,764,392.33)	(30,764,392.33)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Risks linked to the SGX-ST

Trading in Units on the SGX-ST may be suspended: Investors will not be able to purchase or sell Units on the SGX-ST during any period that the SGX-ST suspends trading in the Units. The SGX-ST may suspend the trading of Units whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect investors. The subscription and redemption of In-Kind Units may also be suspended in the event that the trading of Units on the SGX-ST is suspended.

Units may be delisted from the SGX-ST: The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain the listing of Units on the SGX-ST or that the SGX-ST will not change the listing requirements. The Fund may be terminated if its Units are delisted from the SGX-ST.

Suspension of subscriptions and redemptions: Dealings of Units on the SGXST may not necessarily be suspended in the event that the issuance and redemption of Units is temporarily suspended by the Manager. If the issuance and redemption of Units is temporarily suspended, the trading price of the Units may be adversely affected and differ from the market value of the Fund's underlying assets.

Risks linked to the Index

The Fund is exposed to the fluctuation of performance of the Index Securities comprised within the Index through the Swaps. The Fund will not be able to fully track the performance of the Index due to circumstances such as temporary unavailability of certain Index Securities or occurrence of exceptional circumstances that result in distortions in the weighting of the Index. Any re-weighting of Index can also result in miscellaneous transaction or friction costs.

Concentration of Index in certain issuers: The Index and the investments of the Fund may be concentrated in securities of a single or several issuers. Changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular issuer, and changes in general economic or political conditions can affect the value of an issuer's securities. Such issuer specific changes may have an impact on the securities held by the Fund.

Compilation of Index: The securities which comprise the Index are determined and composed by the Index Provider without regard to the performance of the Fund. The Fund is not sponsored, endorsed, sold or promoted by the index provider, Morgan Stanley Capital International Inc ("MSCI"). The Index Provider makes no representation or warranty, express or implied, to investors in the Fund or other persons regarding the advisability of investing in securities generally or in the Fund particularly. The Index Provider has no obligation to take the needs of the Manager or investors in the Fund into consideration in determining, composing or calculating the Index. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately, and consequently there can be no guarantees that its actions will not prejudice the interests of the Fund, the Manager or investors.

Composition of the Index may change: The composition of the Index will change as Index Securities mature or are redeemed or as new securities are included in the Index. When this happens the weighting or composition of the securities owned by the Fund would be changed as considered appropriate by the Manager in order to achieve the investment objective. Thus, an investment in Units will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units.

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Licence to use the Index may be terminated: The Manager has been granted a licence by the Index Provider to use the Index in order to create the Fund based on the Index and to use certain trade marks and any copyright in the Index. The Fund may not be able to fulfill its objective and may be terminated if the licence agreement between the Manager and the Index Provider is terminated. The Fund may also be terminated if the Index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Lack of discretion of the Manager to adapt to market changes

Unlike many conventional funds, the Fund is not "actively managed". Therefore, the Fund will not adjust the composition of its portfolio except in order to seek to closely correspond to the duration and total return of the Index. The Fund does not try to "beat" the market it tracks and does not seek temporary defensive positions when markets decline or is judged to be overvalued. Accordingly, a fall in the Index may result in a corresponding fall in the NAV of the Fund.

Tracking error risk

Changes in the NAV of the Fund are unlikely to replicate exactly changes in the Index. Factors such as fees and expenses of the Fund, liquidity of the market, imperfect correlation of returns between the Fund's securities and those in the Index, changes to the Index and regulatory policies may affect the Manager's ability to achieve close correlation with the Index. Imperfect correlation between the returns of portfolio securities and the Index is more likely to happen to the extent that the Fund invests in securities that are Non-Index Securities or invests in those Index Securities with different weighting from that of the Index. The Fund's returns may therefore deviate from those of the Index. In addition, a fall in the Index may result in a corresponding fall in the NAV of the Fund.

	August 29, 2008
Tracking error	0.073%
	February 29, 2008
Tracking error	0.058%

Units may trade at prices other than NAV

The NAV of the Fund represents the fair price for buying or selling Units. As with any listed fund, the market price of Units may sometimes trade above or below this NAV. There is a risk, therefore, that Holders may not be able to buy or sell at a price close to this NAV. The deviation from NAV is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Index Securities. The "bid/ask" spread (being the difference between the prices being bid by potential purchasers and the prices being asked by potential sellers) is another source of deviation from NAV. The bid/ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from NAV.

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Risk of swap agreements

The risk of loss with respect to swaps generally is limited to the net amount of payments that the Fund is contractually obligated to make. Swap agreements are also subject to the risk that the swap counterparty will default on its obligations. If such a default were to occur, the Fund will have contractual remedies pursuant to the agreements related to the transaction. However, such remedies may be subject to bankruptcy and insolvency laws which could affect the Fund's rights as a creditor. For example, the Fund may not receive the net amount of payments that it contractually is entitled to receive. Nevertheless this risk is limited as the Fund is subject to counterparty ratio of 10% on a single counterpart.

Asset class risk

The returns generated from the securities in which the Fund invests may not provide returns equivalent to that of other classes of securities or different asset classes. The securities in which the Fund invests may be subject to cycles of underperformance relative to that of other classes of securities.

Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable shares. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of; it invests only a limited proportion of its assets in investments not actively traded on a stock exchange.

The Fund's listed securities are considered readily realisable, as they are listed on the main European stock exchanges. The price at which portfolio securities may be purchased or sold by the Fund upon any rebalancing activities or otherwise and the value of the Units will be adversely affected if trading markets for the Fund's portfolio securities are limited or absent or if bid-offer spreads are wide.

The Fund's derivative contracts other the counter may be illiquid. In order to meet realisation requests, the Swap Counterparty is compelled to quote a daily price to unwind any part of the Resetable Swap. The price will reflect the market liquidity conditions and the size of transactions.

The table below analyses the Fund's liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

At 29 August 2008	1 - 3 months	More than 3 months	No started maturity
Financial liabilities at fair value	-	-	-
through profit or loss			
Due to the brokers	-	-	-
Accrued expenses	82,921.81	-	-
Due to the bank	-	-	-
Redeemable shares*	78,730,185.45	-	-
Total financial liabilities	78,813,107.26	-	-

* Redeemable shares are redeemed on demand at the holder's option.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Minimum subscription and redemption size

For subscriptions and redemptions in-kind, Units will only be issued or redeemed in In-Kind Unit aggregations (currently 100,000 Units, and multiples thereof). Investors who do not hold In-Kind Unit aggregations may only be able to realise the value of their Units by selling their Units on the SGX-ST at the prevailing trading price of the Units.

Reliance on Market Makers

There may or may not be Market Makers for the Fund. Investors should note that liquidity in the market for the Units may be adversely affected if there is no Market Maker for the Fund. It is Manager's current intention that there will be at least one Market Maker in respect of the Units.

Reliance on Participating Dealers

The issuance and redemption of Units may only be affected through Participating Dealers. The number of Participating Dealers at any given time will be limited. Participating Dealers are under no obligation to accept instructions to apply for or redeem Units on behalf of investors, and may charge a fee for providing this service. Participating Dealers will not be able to issue or redeem Units during any period when, amongst other things, dealings on the SGX-ST are restricted or suspended, settlement or clearing of securities through the CDP is disrupted or the Index is not compiled or published. In addition, Participating Dealers will not be able to issue or redeem Units if some other event occurs which impedes the calculation of the NAV of the Fund or disposal of the Fund's portfolio securities cannot be effected.

Risks relating to the governing laws and regulations in respect of the Fund

The Fund is a collective investment scheme constituted as a *fonds commun de placement* in France and registered as an Undertaking for Collective Investment in Transferable Securities ("UCITS") Part III scheme. As such, the Fund is subject to the applicable laws and regulations in France and the relevant UCITS Directives, and a set of internal rules established by the Manager and approved by the AMF. Such laws, regulations and rules may differ from the corresponding laws and regulations in Singapore.

Risks linked to the country in which the Fund invests or to which it is exposed

The Fund's investments in the Taiwanese market and its exposure to this market may involve a greater risk of potential losses than investments or exposure to developed markets, notably arising from higher market volatility, a lower trading volume in the relevant assets, possible economic and/or political instability, risks of market closure or government restrictions on foreign investment.

17 Approval of financial statements

The financial statements were approved by the Manager on October 14, 2008.

LYXOR ETF MSCI TAIWAN

SCHEDULE OF INVESTMENTS AS AT AUGUST 29, 2008

	<u>Numbers of Securities</u>	<u>Market Value in USD</u>	<u>% of Net Assets</u>
Financial assets at fair value through profit or loss			
Listed / quoted financial assets			
Equities			
Belgium			
FORTIS (AMS)	194 933.00	2 640 309.01	3.35%
KBC GROUPE	26 326.00	2 486 354.79	3.16%
France			
ALCATEL LUCENT	463 767.00	2 966 683.30	3.77%
GECINA	27 463.00	3 312 626.68	4.21%
LAFARGE SA	20 685.00	2 423 793.37	3.08%
RENAULT SA	43 528.00	3 709 828.43	4.71%
SCHNEIDER ELECTR SA	41 434.00	4 224 943.56	5.37%
TOTAL SA	43 457.00	3 140 117.21	3.99%
VIVENDI	61 566.00	2 356 200.93	2.99%
Germany			
BASF SE	26 746.00	1 545 539.34	1.96%
BAYER AG	32 105.00	2 563 266.97	3.26%
FRESENIUS MED.CARE	44 253.00	2 417 771.39	3.07%
MUENCHENER RU AG-NOM	15 189.00	2 363 663.95	3.00%
RWE AG	27 334.00	2 948 566.62	3.75%
RWE VZ	31 885.00	2 787 926.43	3.54%
VOLKSWAGEN AG	10 506.00	3 171 447.69	4.03%
VOLKSWAGEN AG-PFD	22 276.00	3 437 332.10	4.37%
Italy			
TELECOM ITALIA SPA	1 835 332.00	2 920 935.00	3.71%
UNICREDIT SPA	721 908.00	381 017.17	4.94%
Japan			
CANON INC	386.00	16 899.96	0.02%
CHIYODA	1 896.00	14 990.54	0.02%
CHUGAI PHARM	993.00	16 001.64	0.02%
CREDIT SAISON CO LTD	716.00	14 266.99	0.02%
DAIWA HOUSE IND	1 684.00	15 823.34	0.02%
JGC	872.00	16 179.88	0.02%
MITSUMI ELECTRIC	130 890.00	3 457 539.65	4.39%
NIPPON MEAT PACKER	976.00	15 772.30	0.02%
SECOM CO LTD	407.00	18 563.41	0.02%
SOMPO JAPAN INSURAN.	1 813.00	15 709.74	0.02%
T&D HOLDINGS INC	11.00	545.95	0.00%
TOKAI CARBON	1 802.00	18 381.54	0.02%
TREND MICRO INC	553.00	18 499.89	0.02%
Netherland			
AKZO NOBEL NV-CVA	93 000.00	5 621 904.41	7.14%
UNILEVER CVA	87 293.00	2 434 114.24	3.09%
Spain			
ENDESA	19 406.00	851 971.82	1.08%
IBERDROLA SA	197 693.00	2 409 923.14	3.06%
TELEFONICA SA	105 961.00	2 639 538.31	3.35%
Sweden			
SWEDISH MATCH AB	9 285.00	182 511.28	0.23%
TELIASONERA AB	80 782.00	569 496.37	0.72%
Total listed / quoted financial assets		73 656 958.34	93.56%
Unlisted / unquoted financial assets			
RESETABLE SWAP		5 156 148.92	6.55%
Total unlisted / unquoted financial assets		5 156 148.92	6.55%
Total Financial assets at fair value through profit or loss		78 813 107.26	100.11%
Total Financial assets at fair value through profit and loss at purchase date		83 962 285.09	

LYXOR ETF MSCI TAIWAN

SCHEDULE OF INVESTMENTS AS AT FEBRUARY 29, 2008

	<u>Numbers of Securities</u>	<u>Market Value in USD</u>	<u>% of Net Assets</u>
Financial assets at fair value through profit or loss			
Listed / quoted financial assets			
Equities			
Finland			
UPM KYMMENE	7 498.00	133 042.01	0.39%
France			
ATOS ORIGIN	14 443.00	800 164.23	2.35%
AXA	48 722.00	1 707 567.56	5.02%
BNP PARIBAS	7 618.00	709 504.53	2.09%
CARREFOUR	22 805.00	1 651 461.10	4.85%
CREDIT AGRICOLE	67 329.00	1 879 371.98	5.52%
FRANCE TELECOM	39 109.00	1 338 603.98	3.93%
LVMH	8 969.00	951 182.00	2.80%
NATIXIS	89 880.00	1 358 786.61	3.99%
RENAULT	18 705.00	2 040 772.70	6.00%
SANOFI-AVENTIS	9 139.00	699 407.64	2.06%
SUEZ	9 959.00	634 732.10	1.87%
UNIBAIL RODAMCO	1 495.00	371 647.24	1.09%
VEOLIA ENVIRONNEMENT	16 173.00	1 444 169.90	4.24%
VIVENDI	59 194.00	2 394 438.88	7.04%
Germany			
BAYER SCHERING PHAR	10 362.00	1 639 640.01	4.82%
COMMERZBANK	35 796.00	1 110 565.67	3.26%
DAIMLERCHRYSLER N	4 857.00	418 740.82	1.23%
DEUTSCHE POST	16 016.00	543 325.94	1.60%
MAN	8 409.00	1 133 152.47	3.33%
RWE	13 021.00	1 581 311.63	4.65%
Italy			
MEDIOBANCA	56 971.00	1 129 256.55	3.32%
UNICREDIT SPA	165 005.00	1 251 011.94	3.68%
FIAT	24 411.00	527 105.12	1.55%
Switzerland			
CIE FIN RICHEMONT	16 200.00	967 689.92	2.84%
UBS N	27 536.00	932 508.39	2.74%
Sweden			
ASSA ABLOY B	875.00	15 816.85	0.05%
ATLAS COPCO B	1 205.00	17 630.77	0.05%
ERICSSON B	10 999.00	24 143.98	0.07%
NORDEA BANK (SEK)	1 909.00	28 813.28	0.08%
SANDVIK	31 626.00	547 329.90	1.61%
SHB A	4 951.00	141 668.95	0.42%
SKANSKA B	1 078.00	21 146.63	0.06%
SKF B	1 208.00	22 913.41	0.07%
SSAB SWED STEEL A	2 752.00	79 192.46	0.23%
SVENSKA CELLULOS B	8 438.00	137 822.97	0.41%
TELE2 B	4 808.00	84 183.16	0.25%
TELIA SONERA	17 729.00	141 124.61	0.41%
VOLVO B	10 095.00	153 431.53	0.45%
Total listed / quoted financial assets		30,764,379.42	90.42%
Unlisted / unquoted financial assets			
RESETABLE SWAP		3,291,582.78	9.67%
Total unlisted / unquoted financial assets		3,291,582.78	9.67%
Total Financial assets at fair value through profit or loss		34,055,962.20	100.09%
Total Financial assets at fair value through profit and loss at purchase date		35,414,464.09	

LYXOR ETF MSCI TAIWAN**DISTRIBUTION STATEMENT
AS AT FEBRUARY 29, 2008**

	AUGUST 29, 2008 USD	FEBRUARY 29, 2008 USD
Undistributed income/(loss) brought forward	3,888,633.72	0.00
Operating profit / (loss)	(16,486,765.87)	4,510,890.34
Interim distributions to holders of redeemable participating units	(1,338,681.10)	0.00
Final distributions to holders of redeemable participating units	0.00	(622,256.62)
Increase / (decrease) in net assets attributable to holders of redeemable participating units from operations	(17,825,446.97)	(622,256.62)
Undistributed income/(loss) carried forward	(13,936,813.25)	3,888,633.72

LYXOR ETF MSCI TAIWAN

STATEMENT OF MOVEMENTS IN SCHEDULE OF INVESTMENTS
FOR THE PERIOD FROM MARCH 1, 2008 TO AUGUST 29, 2008

	Percentage holdings of net assets		Variation over the period
	<u>February 29, 2008</u>	<u>August 29, 2008</u>	
Financial assets at fair value through profit or loss			
Listed / quoted financial assets			
Equities			
Belgium			
FORTIS (AMS)	0.00%	3.35%	3.35%
KBC GROUPE	0.00%	3.16%	3.16%
Finland			
UPM KYMMENE	0.39%	0.00%	-0.39%
France			
ALCATEL LUCENT	0.00%	3.77%	3.77%
ATOS ORIGIN	2.35%	0.00%	-2.35%
AXA	5.02%	0.00%	-5.02%
BNP PARIBAS	2.09%	0.00%	-2.09%
CARREFOUR	4.85%	0.00%	-4.85%
CREDIT AGRICOLE	5.52%	0.00%	-5.52%
FRANCE TELECOM	3.93%	0.00%	-3.93%
GECINA	0.00%	4.21%	4.21%
LAFARGE SA	0.00%	3.08%	3.08%
LVMH	2.80%	0.00%	-2.80%
NATIXIS	3.99%	0.00%	-3.99%
RENAULT	6.00%	4.71%	-1.29%
SANOFI-AVENTIS	2.06%	0.00%	-2.06%
SCHNEIDER ELECTR SA	0.00%	5.37%	5.37%
SUEZ	1.87%	0.00%	-1.87%
TOTAL SA	0.00%	3.99%	3.99%
UNIBAIL RODAMCO	1.09%	0.00%	-1.09%
VEOLIA ENVIRONNEMENT	4.24%	0.00%	-4.24%
VIVENDI	7.04%	2.99%	-4.05%
Germany			
BAYER SE	0.00%	1.96%	1.96%
BAER AG	0.00%	3.26%	3.26%
BAYER SCHERING PHAR	4.82%	0.00%	-4.82%
COMMERZBANK	3.26%	0.00%	-3.26%
DAIMLERCHRYSLER N	1.23%	0.00%	-1.23%
DEUTSCHE POST	1.60%	0.00%	-1.60%
FRESENIUS MED.CARE	0.00%	3.07%	3.07%
MAN	3.33%	0.00%	-3.33%
RWE AG	4.65%	3.75%	-0.90%
RWE VZ	0.00%	3.54%	3.54%
VOLKSWAGEN AG	0.00%	4.03%	4.03%
VOLKSWAGEN AG PFD	0.00%	4.37%	4.37%
Japan			
CANON INC	0.00%	0.02%	0.02%
CHIYODA	0.00%	0.02%	0.02%
CHUGAI PHARM	0.00%	0.02%	0.02%
CREDIT SAISON CO LTD	0.00%	0.02%	0.02%
DAIWA HOUSE IND	0.00%	0.02%	0.02%
JGC	0.00%	0.02%	0.02%
MITSUMI ELECTRIC	0.00%	4.39%	4.39%
NIPPON MEAT PACKER	0.00%	0.02%	0.02%
SECOM CO LTD	0.00%	0.02%	0.02%
SOMPO JAPAN INSURAN.	0.00%	0.02%	0.02%
T&D HOLDINGS INC	0.00%	0.00%	0.00%
TOKAI CARBON	0.00%	0.02%	0.02%
TREND MICRO INC	0.00%	0.02%	0.02%

LYXOR ETF MSCI TAIWAN

STATEMENT OF MOVEMENTS IN SCHEDULE OF INVESTMENTS
FOR THE PERIOD FROM MARCH 1, 2008 TO AUGUST 29, 2008

	Percentage holdings of net assets		Variation over the period
	<u>February 29, 2008</u>	<u>August 29, 2008</u>	
Financial assets at fair value through profit or loss			
Listed / quoted financial assets			
Equities			
Italy			
FIAT	1.55%	0.00%	-1.55%
MEDIOBANCA	3.32%	0.00%	-3.32%
TELECOM ITALIA SPA	0.00%	3.71%	3.71%
UNICREDIT SPA	3.68%	4.94%	1.26%
Netherland			
AKZO NOBEL NV-CVA	0.00%	7.14%	7.14%
UNILEVER CVA	0.00%	3.09%	3.09%
Spain			
ENDESA	0.00%	1.08%	1.08%
IBERDROLA SA	0.00%	3.06%	3.06%
TELEFONICA SA	0.00%	3.35%	3.35%
Sweden			
ASSA ABLOY B	0.05%	0.00%	-0.05%
ATLAS COPCO B	0.05%	0.00%	-0.05%
ERICSSON B	0.07%	0.00%	-0.07%
NORDEA BANK (SEK)	0.08%	0.00%	-0.08%
SANDVIK	1.61%	0.00%	-1.61%
SHB A	0.42%	0.00%	-0.42%
SKANSKA B	0.06%	0.00%	-0.06%
SKF B	0.07%	0.00%	-0.07%
SSAB SWED STEEL A	0.23%	0.00%	-0.23%
SVENSKA CELLULOS B	0.41%	0.00%	-0.41%
SWEDISH MATCH AB	0.00%	0.23%	0.23%
TELE2 B	0.25%	0.00%	-0.25%
TELIASONERA	0.41%	0.72%	0.31%
VOLVO B	0.45%	0.00%	-0.45%
Total listed / quoted financial assets	90.42%	93.56%	3.14%
Unlisted / unquoted financial assets			
RESETABLE SWAP	9.67%	6.55%	-3.12%
Total unlisted / unquoted financial assets	9.67%	6.55%	-3.12%
Total Financial assets at fair value through profit or loss	100.09%	100.11%	0.02%

LYXOR ETF MSCI TAIWAN

**PERFORMANCE TABLE (UNAUDITED)
AS AT FEBRUARY 29, 2008**

Net asset values for last 3 years

	Total net asset value	Net asset value per unit
	USD	USD
As at August 29, 2008(share A)	58,516,250.80	0.89
As at August 29, 2008(share B)	15,737,148.20	8.99
As at August 29, 2008(share E)	4,476,786.45	8.95
As at February 29, 2008 (share A)	30,743,137.38	1.09
As at February 29, 2008 (share B)	3,282,444.11	10.94
As at February 29, 2008(share E)	0.00	0.00

Performance record for last 10 years

	Highest issue price per unit	Lowest redemption price per unit
	USD	USD
From February 29, 2008 to August 29, 2008 (share A)	1.18	0.86
From February 29, 2008 to August 29, 2008 (share B)	11.93	8.70
From February 29, 2008 to August 29, 2008 (share E)	9.38	8.78
From February 13, 2007 to February 29, 2008 (share A)	1.21	0.89
From February 13, 2007 to February 29, 2008 (share B)	12.11	9.13
From February 13, 2007 to February 29, 2008 (share E)	0.00	0.00

The following notes relate to the marketing of the fund in Hong-Kong

4. Transactions with Manager and its connected persons

4.1. Investment transactions with connected persons of the Manager

The following note is a summary of the transactions entered into during the year between the Fund and the Manager and its connected persons.

Connected persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

Investment transactions with connected persons of the Manager:

Name of company	Aggregate value of purchases and sales of securities EUR	% of the Fund's total transactions	% of the Fund's total commission paid in the year	Average rate of commission %
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From March 01, 2008 to August 29, 2008

Société Générale	523 258 474.44	100%	0	0
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4.2. Fees on investment transactions with connected persons of the Manager

The Fund utilises the brokerage, custodian, agency and banking services of Société Générale, connected persons of the Manager.

There are no Investment transaction fees paid by the fund to Lyxor International Asset Management and to Société Générale.

5. Soft commission arrangements

The Manager is not aware of any agreements with third parties involving soft commissions and based on investment transactions.

6. Constituent stocks of the basket which represent more than 10 percent at year-end date

As at year-end, none of the constituent stocks represents more than 10 percent of the portfolio.

7. Performance of the fund vs performance of the Index

The LYXOR ETF MSCI TAIWAN is 18.35% down for shares A (USD) from 29/02/2008 to 29/08/2008, is 15.28% down for shares B (EUR) from 29/02/2008 to 29/08/2008 and is 0.56% down for shares E (USD) from 05/08/2008 to 29/08/2008 on the relevant (fiscal) period.

LYXOR ETF MSCI TAIWAN

On the period from 29/02/2008 to 29/08/2008, the MSCI TAIWAN INDEX (TWD) returned a performance equal to -17.96%.

Since inception of share E, from 05/08/2008 to 29/08/2008, the MSCI TAIWAN INDEX (TWD) returned a performance equal to +1.22%.

Note: Since the index and the fund are not valued in the same currency, the performance of share A (in USD), share B (in EUR) and share E (in USD) is shifted accordingly.