

EXCHANGE TRADED FUNDS BY

LYXOR

LYXOR ETF FTSE RAFI US 1000

**AUDITOR'S REPORT
ON THE ANNUAL ACCOUNTS**

Fiscal year closing on 29 August 2008

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LYXOR ETF FTSE RAFI US 1000

Mutual fund governed by the
Monetary and Financial Code

Management Company

LYXOR INTERNATIONAL ASSET MANAGEMENT

Tour Société Générale

17, cours Valmy

92800 Puteaux

Ladies, Gentlemen,

As part of the mission entrusted to us by the management company's executive committees, we hereby present our report relative to the fiscal year closing on 29 August 2008 concerning:

- the verification of the annual accounts of the mutual fund LYXOR ETF FTSE RAFI US 1000, drawn up in euros, as they are attached to the present report,
- the bases of our assessments,
- the specific verifications and information required by law.

The annual accounts have been closed under the responsibility of the management company. It is our duty to express an opinion on these accounts based on our audit.

1. OPINION ON THE ANNUAL ACCOUNTS

We have conducted our audit in accordance with the generally accepted auditing standards in France; these standards require that we plan and perform the audit in order to obtain reasonable assurance that the annual accounts are free of material misstatements.

An audit includes examining, on a sample basis, evidence supporting the information contained in these accounts. As this is a mutual fund, it does not cover the databases provided by independent third parties for the preparation of the off-balance sheet report included in the annual accounts. An audit also involves assessing the accounting principles used and the significant estimates used for the establishment of the accounts, as well as their overall presentation. We feel that our verifications provide a reasonable basis for the opinion expressed below.

We certify that, in accordance with French accounting rules and principles, the annual accounts are truthful and in order, and present a fair picture of the operating profits and losses for the past fiscal year, as well as the fund's financial situation and assets at the end of said fiscal year.

2. JUSTIFICATION OF THE ASSESSMENTS

In application of the provisions of article L.823-9 of the [French] Commercial Code relative to the justification of our assessments, we draw your attention to the following elements:

Over-the-counter contracts are valued according to the methods described in note 1 of the appendix. On the basis of the elements leading to the determination of the adopted valuations, we have carried out an assessment of the approach used by the management company, as well as of the reasonable nature of these estimates.

The assessments made in this way are in line with our approach for the audit of the annual accounts, taken as a whole, and they therefore contributed to the formulation of our unreserved opinion as expressed in the first part of this report.

3. SPECIFIC INFORMATION AND AUDIT PROCEDURES

We have also conducted the auditing procedures required by law, in accordance with the applicable professional standards in France.

We have no observations to report regarding the truthfulness or consistency with the annual accounts of the information included in the annual report and in the documents sent to the shareholders concerning the company's situation and annual accounts.

Taking into account the delay for the transfer of certain information, this report is dated 5 November 2008.

Neuilly sur Seine, 5 November 2008

The auditor
PricewaterhouseCoopers Audit
(signature)
Marie-Christine Jetil

ANNUAL ACCOUNTS

BALANCE SHEET assets

	29.08.2008	31.08.2007
Currency	EUR	EUR
Net fixed assets	-	-
Deposits	-	-
Financial instruments	48 040 931,82	29 018 242,01
• SHARES AND SIMILAR SECURITIES		
Negotiated on a regulated or similar market	45 194 746,64	27 903 307,57
Not negotiated on a regulated or similar market	-	-
• BONDS AND SIMILAR SECURITIES		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• DEBT INSTRUMENTS		
Negotiated on a regulated or similar market		
<i>Negotiable debt instruments</i>	-	-
<i>Other debt instruments</i>	-	-
Not negotiated on a regulated or similar market	-	-
• MUTUAL FUND SHARES		
European co-ordinated UCITS		
and French UCITS of a general nature	-	-
UCITS reserved for certain investors – FCPR		
(type of collective investment MF) – FCIMT	-	-
(type of MF intervening on futures markets)	-	-
Listed SPVs and investment funds	-	-
Non-listed SPVs and investment funds	-	-
• TEMPORARY OPERATIONS INVOLVING SECURITIES		
Receivables representing securities held in pension	-	-
Receivables representing loaned securities	-	-
Securities borrowed	-	-
Securities given in pension	-	-
Other temporary operations	-	-
• FUTURE FINANCIAL INSTRUMENTS		
Operations on a regulated or similar market	-	-
Other positions	2 846 185,18	1 114 934,44
• OTHER FINANCIAL INSTRUMENTS	-	-
Liabilities	-	-
Future foreign currency operations	-	-
Other	-	-
Financial accounts	-	-
Liquidity	-	-
Total assets	48 040 931,82	29 018 242,01

BALANCE SHEET liabilities

	29.08.2008	31.08.2007
Currency	EUR	EUR
Shareholders equity		
• Capital	45 530 812,59	27 058 388,13
• Carried forward	-	-
• Adjustment of carried forward	-	-
• Result	2 464 439,99	1 838 121,03
Total shareholders equity <i>(amount representing the net assets)</i>	47 995 252,58	28 896 509,16
Financial instruments	-	-
• Operations involving the sale of financial instruments	-	-
• Temporary operations involving securities		
Debts representing securities given in pension	-	-
Debts representing borrowed securities	-	-
Other temporary operations	-	-
• Future financial operations		
Operations on a regulated or similar exchange market	-	-
Other positions	-	-
Debts	45 675,47	121 719,86
Future foreign exchange operations	-	-
Other	45 675,47	121 719,86
Financial accounts	3,77	12,99
Current bank accommodations	3,77	12,99
Loans	-	-
Total liabilities	48 040 931,82	29 018 242,01

Off-balance sheet commitments

	29.08.2008	31.08.2007
Currency	EUR	EUR
Hedging operations		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
Other operations		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	58 874 443,88	29 783 000,00
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

Profit and loss account

	29.08.2008	31.08.2007
Currency	EUR	EUR
Earnings and financial operations		
• Earnings on deposits and financial accounts	-	-
• Earnings and shares and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt instruments	1 952 178,24	1 961 399,37
• Earnings on temporary acquisitions and sales of securities	-	-
• Earnings on future financial instruments	-	-
• Other financial earnings	-	-
Total (I)	1 952 178,24	1 961 399,37
Charges on financial operations		
• Charges on temporary acquisitions and sales of securities	-	-
• Charges on future financial instruments	-	-
• Charges on financial debts	-1 644,96	-1 558,48
• Other financial charges	-	-
Total (II)	-1 644,96	-1 558,48
Earnings on financial operations (I - II)	1 950 533,28	-1 959 840,89
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-197 020,71	-121 719,86
Net earnings of the fiscal year (L.214-9) (I - II + III - IV)	1 753 512,57	1 838 121,03
Adjustment of the fiscal year's earnings (V)	710 927,42	-
Advances paid for the fiscal year (VI)	-	-
Earnings (I - II + III - IV +/- V - VI):	2 464 439,99	1 838 121,03

1 Accounting rules and methods

The annual accounts are presented in the format pursuant to the provisions of CRC Regulation no. 2003-02 of 2 October 2003 relative to the chart of accounts of UCITS, modified by CRC regulation no. 2005-07 03 of November 2005, and approved by the ministerial decree of 26 December 2005.

Assessment rules

The MF's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2003-02 of the Comité de la Réglementation Comptable dated 2 October 2003 relative to the chart of accounts of UCITS (1st part).

The financial instruments negotiated on a regulated market are assessed at the closing price on the day preceding the calculation date of the net asset value.

When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.

Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the net asset value calculation date. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the net asset value calculation date. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

Deposits are assessed at their nominal value, plus any related interest that has accrued.

Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.

Temporary acquisitions and sales of securities are assessed at the market price.

Units and shares in undertakings for collective investment in transferable securities operating under French law are assessed at the last net asset value known on the calculation date of the MF's net asset value.

Units and shares of investment funds operating under foreign law are assessed at the last unit net asset value known on the calculation date of the MF's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange rates used for the assessment of financial instruments drafted in a currency other than the MF's reference currency are the WM Reuters closing fixings of the day before the closing date of the net asset value.

Posting method for the negotiation fees

The chosen method is that of included fees.

Posting method of revenues from fixed revenue securities

The chosen method is that of the collected coupon.

Operation and management fees

These fees include all of the fees invoiced directly to the MF, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and management company. The following can be added to the operation and management fees:

- outperformance commissions. These reward the management company when the MF has exceeded its objectives. They are therefore invoiced to the MF;
- transaction commissions invoiced to the MF;
- a portion of the earnings from temporary acquisitions and sales of securities.

For more details on the fees actually invoiced to the MF, refer to the Statistical Part of the simplified prospectus.

Fees invoiced to the MF	Basis	Schedule rate
Operation and management fees, tax incl. ⁽¹⁾	Net assets	maximum 0.75% per year
Outperformance commissions	Net assets	None
Service providers collecting commissions on transactions	Collection on each transaction	None

- (1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS or investment funds.

No transaction commission will be charged to the Fund.

Accounting currency

The UCITS' accounting is carried out in Euros.

Indication of changes having to be declared to the bearers

- Occurred change:
 - Creation of the Fund's B unit on 20 May 2008.
- Future change: None

Indication and justification of the changes to estimates and application provisions

None.

Indication of the nature of the errors corrected during the fiscal year

None.

Indication of the rights and conditions attached to each category of units

The management company reserves the right to capitalise and/or distribute all or part of the revenues each year.

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2. Evolution of the net assets

	29.08.2008	31.08.2007
Currency	EUR	EUR
Net assets at the start of the fiscal year	28 896 509,16	-
Subscriptions (including subscription commission acquired by the UCITS)	30 706 076,40	29 783 000,00
Redemptions (less the redemption commission acquired by the UCITS)	-7 043 920,00	-
Capital gains generated on deposits and financial instruments	3 093 764,28	4 679 222,25
Capital losses generated on deposits and financial instruments	-8 685 434,04	-3 468 893,70
Capital gains generated on future financial instruments	9 229 805,29	2 192 300,22
Capital losses generated on future financial instruments	-10 864 199,68	-3 816 224,31
Negotiation fees	-	-
Exchange differentials	51 774,72	3 767,73
Changes to the estimate difference of the deposits and financial instruments:	97 247,09	-1 852 080,05
- <i>Estimate difference fiscal year N</i>	-1 754 832,96	-1 852 080,05
- <i>Estimate difference fiscal year N-1</i>	-1 852 080,05	-
Changes to the estimate difference of future financial instruments:	948 616,79	-462 704,01
- <i>Estimate difference fiscal year N</i>	485 912,78	-462 704,01
- <i>Estimate difference fiscal year N-1</i>	-462 704,01	-
Distribution from the previous fiscal year	-188 500,00	-
Net earnings of the fiscal year before adjustment account	1 753 512,57	1 838 121,03
Advance(s) paid during the fiscal year	-	-
Other elements	-	-
Net assets at the end of the fiscal year	47 995 252,58	28 896 509,16

3. Information supplements

3.1 Financial instruments: breakdown by the instrument's legal or economic type

3.1.1 Breakdown of the “Bonds and similar securities” item

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

3.1.2 Breakdown of the “Receivables” item by legal or economic type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Commercial paper	-	-
Deposit certificates	-	-
Negotiable medium-term notes (“BMTN”)	-	-
Other instruments	-	-

3.1.3 Breakdown of the “Sale operations on financial instruments” item by instrument type

	Securities received in pension sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other investments	-	-	-	-

LYXOR ETF FTSE RAFI US 1000

3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
Hedging operations				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
Other operations				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	58 874 443,88
Other commitments	-	-	-	-

3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
Assets	-	-	-	-
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt instruments	-	-	-	-
Temporary operations on securities	-	-	-	-
Financial accounts	-	-	-	-
Liabilities	-	-	-	-
Temporary operations on securities	-	-	-	-
Financial accounts	-	-	-	3,77
Off-balance sheet	-	-	-	-
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
Assets	-	-	-	-	-
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt instruments	-	-	-	-	-
Temporary operations on securities	-	-	-	-	-
Financial accounts	-	-	-	-	-
Liabilities	-	-	-	-	-
Temporary operations on securities	-	-	-	-	-
Financial accounts	3,77	-	-	-	-
Off-balance sheet	-	-	-	-	-
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	58 874 443,88

3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items

This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.

By main currency	CHF	SEK	JPY	DKK
Assets	-	-	-	-
Deposits	-	-	-	-
Equities and similar securities	1 111 285,08	261 808,41	154 042,49	16 635,81
Bonds and similar securities	-	-	-	-
Debt instruments	-	-	-	-
MF shares	-	-	-	-
Temporary operations on securities	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
Liabilities	-	-	-	-
Sale operations on financial instruments	-	-	-	-
Temporary operations on securities	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
Off-balance sheet	-	-	-	-
Hedging operations	-	-	-	-
Other operations	-	-	-	-

3.5 Receivables and Debts: breakdown by type

Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).

Receivables	-
Future currency exchange operations	-
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	-
Adjustment accounts	-
-	-
-	-
-	-
-	-
Other operations	-
Debts	45 675,47
Future currency exchange operations	-
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	-
Provisioned costs	45 675,47
-	-
-	-
-	-
-	-
Other operations	-

3.6 Shareholders equity

Number of units issued/redeemed during the fiscal year:	Subscriptions		Redemptions	
	Number of units	Amount	Number of units	Amount
UNIT A / FR0010400804	478 334	15 788 316,40	169 000	7 043 920,00
UNIT B / FR0010400754	4 000 000	14 917 760,00	-	-
Subscription / redemption commission by share category:		Amount		Amount
UNIT A / FR0010400804		-		-
UNIT B / FR0010400754		-		-
Remittances by share category:		Amount		Amount
UNIT A / FR0010400804		-		-
UNIT B / FR0010400754		-		-
Commissions acquired by the UCITS by share category:		Amount		Amount
UNIT A / FR0010400804		-		-
UNIT B / FR0010400754		-		-

3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets:	%
Share category:	
UNIT A / FR0010400804	0,75
UNIT B / FR0010400754	0,75
Performance commissions (variable fees): amount of costs for the year	Amount
Share category:	
UNIT A / FR0010400804	-
UNIT B / FR0010400754	-
Retrocession of management fees:	
- Total amount of fees retroceded to the UCITS	-
- Breakdown by "target" UCITS	
- UCITS 1	-
- UCITS 2	-
- UCITS 3	-
- UCITS 4	-

3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the UCITS with indication of the capital guarantees **None**
- 3.8.2 Description of the other commitments received and/or given **None**

3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:

- Financial instruments sold under forward repurchase agreements	-
- Other temporary operations	-

3.9.2 Current value of the financial instruments comprising security deposits:

Financial instruments received as guarantees and not included in the balance sheet:

- equities	-
- bonds	-
- debt instruments	-
- other financial instruments	-

Financial estimates given as guarantees and maintained in their original item:

- equities	-
- bonds	-
- debt instruments	-
- other financial instruments	-

3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (MF) and UCITS managed by these entities

- UCITS securities	-
- Swap	2 846 185,18

3.10 Allocation of the earnings table (in the UCITS' currency of account)

Advances paid during the fiscal year

Date	Share category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total advances		-	-	-	-

	29.08.2008	31.08.2007
Allocation of the profit/loss	EUR	EUR
Sums still to be allocated		
Carried forward	-	-
Adjustment of carried forward	-	-
Earnings	2 464 439,99	1 838 121,03
Total	2 464 439,99	1 838 121,03

LYXOR ETF FTSE RAFI US 1000

UNIT A / FR0010400804	29.08.2008	31.08.2007
Currency	EUR	EUR
Allocation		
Distribution	508 447,02	188 500,00
Carried forward for the fiscal year	-	-
Capitalisation	1 170 528,49	1 649 621,03
Total	1 678 975,51	1 838 121,03
Information relative to the units and resulting in a distribution right		
Number of circulating units	959 334,00	650 000
Distribution per unit	0,53	0,29
Tax credits	-	-

UNIT B / FR0010400754	29.08.2008	31.08.2007
Currency	EUR	EUR
Allocation		
Distribution	196 291,49	-
Carried forward for the fiscal year	-	-
Capitalisation	589 172,99	-
Total	785 464,48	-
Information relative to the units and resulting in a distribution right		
Number of circulating units	4 000 000,00	-
Distribution per unit	0,05	-
Tax credits	-	-

3.11 Table of the earnings and other characteristic elements of the MF during the last 5 fiscal years

UCITS creation date: 24 January 2007; Creation of the Fund's B unit: 20 May 2008

UCITS currency

EUR	29.08.2008	31.08.2007	Date n-2	Date n-3	Date n-4
Net assets	47 995 252,58	28 896 509,16	-	-	-

UNIT A / FR0010400804		Currency of the UNIT and of the NAV: EUR			
	29.08.2008	31.08.2007	Date n-2	Date n-3	Date n-4
Number of circulating units	959 334,00	650 000,00	-	-	-
Net asset value	35,3	44,45	-	-	-
Unit distribution (including advances)*	0,53	0,29	-	-	-
Unit tax credit transferred to unit holders (natural persons)⁽¹⁾	-	-	-	-	-
Unit capitalization *	1,22	2,53	-	-	-

* *The amounts of the unit distribution, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS.*

⁽¹⁾ *Fiscal year closed; pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the securities in circulation on that date.*

UNIT B / FR0010400754		Currency of the UNIT and of the NAV: EUR			
	29.08.2008	31.08.2007	Date n-2	Date n-3	Date n-4
Number of circulating units	4 000 000,00	-	-	-	-
Net asset value	5,19	-	-	-	-
Unit distribution (including advances)*	0,05	-	-	-	-
Unit tax credit transferred to unit holders (natural persons)⁽¹⁾	-	-	-	-	-
Unit capitalization *	0,14	-	-	-	-

* *The amounts of the unit distribution, the unit capitalisation and the tax credits are indicated in the accounting currency of the UCITS.*

⁽¹⁾ *Fiscal year closed; pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the securities in circulation on that date.*

4. UCITS inventory

appendix

Fund: LYXOR ETF FTSE RAFI US 1000
Date: 29/08/2008

Security code	Name	Quantity	Stock market value	Listing currency	% Assets
LYXOR ETF FTSE RAFI US 1000					
Equity					
Shares & Securities ass. NMR or ass.					
JP363650329	YAHOO JAPAN	EL00	15 687.04	JPY	0.03
JP363650329	DAIWA HOUSE INC	2 075.00	13 224.04	JPY	0.03
JP363650329	JGC	1 074.00	13 691.73	JPY	0.03
JP363650329	MITSUBI ELECTRIC	945.00	16 955.51	JPY	0.04
JP363650329	CHYODA	1 955.00	6 887.52	JPY	0.02
FR0011823473	ALSTOM	19 315.00	1 368 876.18	EUR	2.85
JP374300306	NIPPON MEAT PACKERS	885.00	9 351.97	JPY	0.02
JP374300306	CHUJAI PHARM	280 755.00	9 450.72	JPY	0.02
FR0006781853	ALLEANZA ASSICURAZIONI	23 117.00	1 481 286.60	EUR	3.09
FR0006781853	L'ORAL	28 371.00	1 543 297.77	EUR	3.22
FR0006781853	METRO	17 351.00	1 424 844.63	EUR	2.97
FR0006781853	BAYERISCHE MOTORENWERKE	11 272.00	318 795.26	EUR	0.68
FR0006781853	YINHEUN	64 586.00	1 678 933.37	EUR	2.52
FR0006781853	ASSICURAZIONI GENERALI	23 813.00	537 173.90	EUR	1.12
FR0006781853	THE SWITCH GROUP	846.00	103 889.50	CHF	0.22
FR0006781853	ADIDAS AG	12 365.00	478 382.40	EUR	1.00
FR0006781853	BAYER AG	24 225.00	1 543 175.36	EUR	2.74
FR0006781853	MAN AG	83 645.00	753 013.00	EUR	1.57
FR0006781853	TELEFONICA SA	11 236.00	1 418 795.66	EUR	2.96
FR0006781853	SCHWEIZERISCHE RUCKVERSICHERUNGSGESAMT	20 365.00	863 748.51	CHF	1.78
FR0006781853	LVMH MOET HENNESSY LOUIS VUITTON	8 395.00	468 578.20	EUR	0.97
FR0006781853	SCHNEIDER ELECTRIC SA	38 637.00	2 694 033.22	EUR	4.82
FR0006781853	DEUTSCHE POST AG-NOM	48 345.00	732 032.46	EUR	1.53
FR0006781853	VESTAS VIND SYSTEMS A/S	135.00	16 658.81	DKK	0.04
FR0006781853	RAUSCHER RUCKVERSICHERUNGSGESAMT	4 421.00	487 033.60	EUR	0.96
FR0006781853	SIEMENS AG-NOM	12 881.00	995 599.76	EUR	2.01
FR0006781853	TERNA SPA	173 451.00	473 073.60	EUR	0.99
FR0006781853	MEDASSET SPA	97 377.00	508 559.25	EUR	0.99
FR0006781853	FIAT SPA	37 845.00	621 332.66	EUR	1.22
FR0006781853	TERNIS SA	94 335.00	1 578 933.81	EUR	3.28

LYXOR ETF FTSE RAFI US 1000

Security code	Name	Quantity	Stock market value	Listing currency	% Assets
JP351400009	SOMPO JAPAN INSURANCE INC	2 23.02	13 130.74	JPY	0.03
JP327140008	CREDIT SAIKOR CO. LTD	623.63	8 458.88	JPY	0.02
JP333730009	TREND MICRO INC	88.00	15 474.22	JPY	0.03
IT003118357	ENEL SPA	122 522.00	840 768.71	EUR	1.14
JP344180008	SECOM CO. LTD	80.00	15 521.00	JPY	0.03
JP326260005	CANON INC	475.00	14 525.71	JPY	0.03
XL000060935	UNILEVER CIA	76 795.00	1 443 133.33	EUR	3.51
IT000345719	TELECOM ITALIA SPA	642 588.00	694 633.47	EUR	1.49
BE000010073	BELOGAOM	42 482.00	1 140 641.76	EUR	2.58
FR000130007	ALCATEL LUCENT	170 688.00	741 622.81	EUR	1.59
SE000060785	TELSA SONEA AB	54 679.00	261 808.41	SEK	0.58
CA062459543	UBS AG NOM	10 246.00	191 842.01	CHF	0.32
DE000063773	PORSCHE YORZ HUGO	616.00	56 374.41	EUR	0.12
DE000558862	Q-CELLS AG	11 551.00	779 264.76	EUR	1.62
FR000125007	COMPAGNIE DE SAINT-GOBAIN SA	2 422.00	56 807.50	EUR	0.21
IT004241156	BANCO POPOLARE SPA	73 190.00	950 591.72	EUR	1.08
FR000112003	EUROGAS	10 635.00	437 733.76	EUR	0.91
FR000120771	TOTALE SA	27 938.00	1 371 095.86	EUR	2.96
ES013211155	BANCO BILBAO VIZCAYA ARGENTA	81 226.00	933 353.76	EUR	1.94
FR000131106	RENAULT SA	37 728.00	2 168 858.14	EUR	4.55
FR000120078	SARCO FAYENTIS	37 907.00	1 557 450.62	EUR	3.45
DE0005812956	DEUTSCHE BOERSE AG	7 728.00	491 364.48	EUR	1.03
DE0000766030	VOLKSWAGEN AG-PFD	14 273.00	1 495 852.13	EUR	3.12
IT0040064854	UNICREDIT SPA	450 389.00	1 845 852.16	EUR	3.44
FR001041182	ECOR SE ACT PRON	52 459.00	814 548.59	EUR	1.70
FR000120026	AXA	106 787.00	2 308 201.01	EUR	4.81
IT0000072813	INTESA SANPAOLO SPA	953 479.00	2 186 230.68	EUR	4.50
Total Shares & Securities ass. NVR or as.					45 194 746.64
Total Equities					45 194 746.64
OTHER					94.17
Other swaps					
Total Other swaps		Swap deal price EUR CG	2 356 272.43	EUR	4.52
Adjustment accounts			1 356 272.43		4.52
Total Adjustment accounts		PML ETR Swap excl. PTF	-486 912.78	EUR	1.01
Total OTHER			-486 912.78		1.01
AT BANK OR PENDING			2 604 195.13		5.93
Demand operations					
Total Demand operations		EUR SGP bank	-3.37	EUR	
Total AT BANK OR PENDING			-3.37		
MANAGEMENT FEES			-3.37		
Provisioned expenses					
Total Provisioned expenses		Provisioned	-43 675.47	EUR	-0.12
Total MANAGEMENT FEES			-43 675.47		-0.12
Total LYXOR ETF FTSE RAFI US 1000			47 595 252.53		100.05

Information provided as part of the fund's marketing in Hong Kong

4. Operations with the Manager and its affiliated companies

4.1. Transactions with affiliated companies

The present memo summarizes the transactions carried out during the period between the Fund, the Manager and its affiliated companies.

The companies affiliated with the Manager are those defined in the Hong Kong "Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission". All transactions were carried out as part of the Fund's normal activities and according to normal market conditions.

Transactions with affiliated companies:

Company name	Total value of the purchases / sales of securities	% of the Fund's total transactions	% of the total commissions paid by the Fund over the year	Average commission rate
Closing on 29 August 2008	EUR			
Société Générale	292 150 714,27	100%	0,00	0,00

4.2. Fees for transactions with affiliated companies

The Fund uses the services of the Société Générale, a company affiliated with the Manager, namely brokerage, safekeeping and bank services.

The Fund does not pay transaction fees to Lyxor International Asset Management or to Société Générale.

5. Soft commissions

The Manager has no knowledge of agreements providing for soft commissions signed with third parties or pertaining to the transactions carried out by the Fund.

6. Securities representing more than 10% of the portfolio on the closing date

On the closing date, no security represents more than 10% of the portfolio.

7. Fund performance relative to the performance of its reference index

The LYXOR ETF FTSE RAFI US 1000 Fund posted a performance of -20.58% for the A unit (EUR) between 31/08/2007 and 29/08/2008 and a performance of -10.36% for the B unit (USD) between 20/05/2008 and 29/08/2008.

Over the period from 31/08/2007 to 29/08/2008, the FTSE RAFI US 1000TM index posted a performance of -15.00%.

Over the period from 20/05/2008 to 29/08/2008, the FTSE RAFI US 1000TM index posted a performance of -10.54%.

Comment: As the fund is not valued in the index currency, the evolution of the A unit (listed in EUR) has been adjusted accordingly.