

EXCHANGE TRADED FUNDS BY

LYXOR

LYXOR ETF Japan (Topix)

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

Fiscal year closing on 31 October 2008

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PricewaterhouseCoopers Audit
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LYXOR ETF Japan (Topix)

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 31 October 2008 :

- the verification of the annual accounts of the mutual fund LYXOR ETF Japan (Topix), 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.

Neuilly sur Seine, 26 December 2008

The auditor
PricewaterhouseCoopers Audit

(signature)
Marie-Christine Jetil

ANNUAL ACCOUNTS

BALANCE SHEET assets

| | 31.10.2008 | 31.10.2007 |
|--|-----------------------|-----------------------|
| Currency | EUR | EUR |
| Net fixed assets | - | - |
| Deposits | - | - |
| Financial instruments | 412 084 123,07 | 414 243 863,76 |
| • SHARES AND SIMILAR SECURITIES | | |
| Negotiated on a regulated or similar market | 356 324 451,33 | 378 735 358,05 |
| 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 | 55 759 671,74 | 35 508 505,71 |
| • OTHER FINANCIAL INSTRUMENTS | - | - |
| Liabilities | 16 109 721,25 | 15 743 160,56 |
| Future foreign currency operations | - | - |
| Other | 16 109 721,25 | 15 743 160,56 |
| Financial accounts | - | 7 141 995,05 |
| Liquidities | - | 7 141 995,05 |
| Total assets | 428 193 844,32 | 437 129 019,37 |

BALANCE SHEET liabilities

| | 31.10.2008 | 31.10.2007 |
|---|-----------------------|-----------------------|
| Currency | EUR | EUR |
| Shareholders equity | | |
| • Capital | 413 812 910,49 | 363 593 149,31 |
| • Carried forward | - | - |
| • Adjustment of carried forward | 429 220,48 | - |
| • Result | -2 324 096,61 | 49 749 787,70 |
| Total shareholders equity <i>(amount representing the net assets)</i> | 411 918 034,36 | 413 342 937,01 |
| 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 | 166 088,70 | 23 786 082,36 |
| Future foreign exchange operations | - | - |
| Other | 166 088,70 | 23 786 082,36 |
| Financial accounts | 16 109 721,26 | - |
| Current bank accommodations | 16 109 721,26 | - |
| Loans | - | - |
| Total liabilities | 428 193 844,32 | 437 129 019,37 |

Off-balance sheet commitments

| | 31.10.2008 | 31.10.2007 |
|---|----------------|----------------|
| 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 | 610 359 348,90 | 455 528 391,00 |
| - Contracts for Differences (CFD) | - | - |
| • Other commitments | | |
| - Futures market | - | - |
| - Options market | - | - |
| - Credit derivatives | - | - |
| - Swaps | - | - |
| - Contracts for Differences (CFD) | - | - |

Profit and loss account

| | 31.10.2008 | 31.10.2007 |
|--|----------------------|----------------------|
| Currency | EUR | EUR |
| Earnings and financial operations | | |
| • Earnings on deposits and financial accounts | - | - |
| • Earnings and shares and similar securities | 50,22 | - |
| • Earnings on bonds and similar securities | - | - |
| • Earnings on debt instruments | - | 61 505 041,11 |
| • Earnings on temporary acquisitions and sales of securities | - | - |
| • Earnings on future financial instruments | - | - |
| • Other financial earnings | - | - |
| Total (I) | 50,22 | 61 505 041,11 |
| Charges on financial operations | | |
| • Charges on temporary acquisitions and sales of securities | - | - |
| • Charges on future financial instruments | - | - |
| • Charges on financial debts | - | -49 780,76 |
| • Other financial charges | - | - |
| Total (II) | - | -49 780,76 |
| Earnings on financial operations (I - II) | 50,22 | 61 455 260,35 |
| Other earnings (III) | - | - |
| Management fees and depreciation expenses (IV) | -2 087 934,85 | -2 559 500,90 |
| Net earnings of the fiscal year (L.214-9) (I - II + III - IV) | -2 087 884,63 | 58 895 759,45 |
| Adjustment of the fiscal year's earnings (V) | -236 211,98 | -9 145 971,75 |
| Advances paid for the fiscal year (VI) | - | - |
| Earnings (I - II + III - IV +/- V - VI): | -2 324 096,61 | 49 749 787,70 |

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 rate used for the assessment of financial instruments drafted in a currency other than the MF's reference currency are the exchange rates disseminated by the WM Reuters fixing the day before the closing date of the MF's 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.

Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the UCITS) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the UCITS) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the contract's nominal amount (in the currency of the UCITS).

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 0.50% 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 MF.

Accounting currency

The UCITS' accounting is carried out in euros.

Indication of changes having to be declared to the bearers

- Occurred change: None
- 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

| | 31.10.2008 | 31.10.2007 |
|---|-----------------------|-----------------------|
| Currency | EUR | EUR |
| Net assets at the start of the fiscal year | 413 342 937,01 | 426 120 302,16 |
| Subscriptions (including subscription commission acquired by the UCITS) | 232 042 848,28 | 224 441 000,19 |
| Redemptions (less the redemption commission acquired by the UCITS) | -114 016 504,44 | -175 969 249,19 |
| Capital gains generated on deposits and financial instruments | 78 268 227,95 | 133 152 022,46 |
| Capital losses generated on deposits and financial instruments | -223 030 711,06 | -115 514 369,08 |
| Capital gains generated on future financial instruments | 583 756 456,94 | 238 240 252,81 |
| Capital losses generated on future financial instruments | -504 379 748,77 | -352 541 690,15 |
| Negotiation fees | - | - |
| Exchange differentials | 1 156 416,07 | -848 610,07 |
| Changes to the estimate difference of the deposits and financial instruments: | | |
| - <i>Estimate difference fiscal year N</i> | -77 580 791,04 | -19 890 181,85 |
| - <i>Estimate difference fiscal year N-1</i> | -77 374 224,19 | 206 566,85 |
| | 206 566,85 | 20 096 748,70 |
| Changes to the estimate difference of future financial instruments: | | |
| - <i>Estimate difference fiscal year N</i> | 27 150 226,37 | -710 659,72 |
| - <i>Estimate difference fiscal year N</i> | 26 576 355,61 | -573 870,76 |
| - <i>Estimate difference fiscal year N-1</i> | -573 870,76 | 136 788,96 |
| Distribution from the previous fiscal year | -2 703 438,32 | -2 031 640,00 |
| Net earnings of the fiscal year before adjustment account | -2 087 884,63 | 58 895 759,45 |
| Advance(s) paid during the fiscal year | - | - |
| Other elements | - | - |
| Net assets at the end of the fiscal year | 411 918 034,36 | 413 342 937,01 |

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 (<i>"BMTN"</i>) | - | - |
| 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 JAPAN (TOPIX®)

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 | - | - | - | 610 359 348,90 |
| 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 | - | - | - | 16 109 721,26 |
| 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 | 16 109 721,26 | - | - | - | - |
| Off-balance sheet | | | | | |
| Hedging operations | - | - | - | - | - |
| Other operations | - | - | 610 359 348,90 | - | - |

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 | JPY | - | - |
|--|--------------|------------|---|---|
| Assets | | | | |
| Deposits | - | - | - | - |
| Equities and similar securities | 3 681 806,03 | 811 257,47 | - | - |
| 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 | 16 109 721,25 |
| Future currency exchange operations | - |
| Future purchases of currency | - |
| Total negotiated amount of future currency sales | - |
| Other receivables: | |
| Deferred settlement sales | 16 109 721,25 |
| Suspense accounts | - |
| - | - |
| - | - |
| - | - |
| Other operations | - |
| Debts | 166 088,70 |
| Future currency exchange operations | - |
| Future sales of currency | - |
| Total negotiated amount of future currency purchases | - |
| Other debts: | |
| Provisioned costs | 166 088,70 |
| - | - |
| - | - |
| - | - |
| - | - |
| 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 |
| A UNIT/FR0010245514 | 1 984 556 | 164 880 437,80 | 1 237 088 | 108 691 388,88 |
| B UNIT/FR0010377028 | 450 000 | 40 715 375,61 | - | - |
| E UNIT/FR0010477430 | 30 990 620 | 26 447 034,87 | 5 760 000 | 5 325 115,56 |
| Subscription / redemption commission by share category: | | Amount | | Amount |
| A UNIT/FR0010245514 | | - | | - |
| B UNIT/FR0010377028 | | - | | - |
| E UNIT/FR0010477430 | | - | | - |
| Remittances by share category: | | Amount | | Amount |
| A UNIT/FR0010245514 | | - | | - |
| B UNIT/FR0010377028 | | - | | - |
| E UNIT/FR0010477430 | | - | | - |
| Commissions acquired by the UCITS by share category: | | Amount | | Amount |
| A UNIT/FR0010245514 | | - | | - |
| B UNIT/FR0010377028 | | - | | - |
| E UNIT/FR0010477430 | | - | | - |

3.7 Management fees

| Operating and management fees (fixed fees) as % of the average net assets: | % |
|--|-------------|
| Share category: | |
| A UNIT/FR0010245514 | 0,50 |
| B UNIT /FR0010377028 | 0,50 |
| E UNIT /FR0010477430 | 0,50 |

| Performance commissions (variable fees): amount of costs for the year | Amount |
|---|--------|
| Share category: | |
| A UNIT/FR0010245514 | - |
| B UNIT /FR0010377028 | - |
| E UNIT /FR0010477430 | - |
| 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

| | |
|------------|----------------------|
| - Equities | 23 305 454,53 |
| - Swap | 55 759 671,74 |

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 | | - | - | - | - |

| | 31.10.2008 | 31.10.2007 |
|--------------------------------------|----------------------|----------------------|
| Allocation of the profit/loss | EUR | EUR |
| Sums still to be allocated | | |
| Carried forward | - | - |
| Adjustment of carried forward | 429 220,48 | - |
| Earnings | -2 324 096,61 | 49 749 787,70 |
| Total | -1 894 876,13 | 49 749 787,70 |

LYXOR ETF JAPAN (TOPIX®)

| A UNIT/FR0010245514 | 31.10.2008 | 31.10.2007 |
|--|----------------------|----------------------|
| Currency | EUR | EUR |
| Allocation | | |
| Distribution | - | 2 035 800,00 |
| Carried forward for the fiscal year | - | - |
| Capitalisation | -1 662 554,91 | 43 146 401,25 |
| Total | -1 662 554,91 | 45 182 201,25 |
| Information relative to the units and resulting in a distribution right | | |
| Number of circulating units | 4 517 468,00 | 3 770 000,00 |
| Distribution per unit | - | 0,54 |
| Tax credits | - | - |

| B UNIT/FR0010377028 | 31.10.2008 | 31.10.2007 |
|--|-------------------|---------------------|
| Currency | EUR | EUR |
| Allocation | | |
| Distribution | - | 161 982,98 |
| Carried forward for the fiscal year | - | - |
| Capitalisation | -63 964,67 | 3 451 583,07 |
| Total | -63 964,67 | 3 613 566,05 |
| Information relative to the units and resulting in a distribution right | | |
| Number of circulating units | 750 000,00 | 300 000,00 |
| Distribution per unit | - | 0,54 |
| Tax credits | - | - |

LYXOR ETF JAPAN (TOPIX®)

| E UNIT/FR0010477430 | 31.10.2008 | 31.10.2007 |
|--|--------------------|-------------------|
| Currency | EUR | EUR |
| Allocation | | |
| Distribution | - | 76 432,25 |
| Carried forward for the fiscal year | - | - |
| Capitalisation | -168 356,55 | 877 588,15 |
| Total | -168 356,55 | 954 020,40 |
| Information relative to the units and resulting in a distribution right | | |
| Number of circulating units | 41 230 620,00 | 16 000 000,00 |
| Distribution per unit | - | 0,0054 |
| Tax credits | - | - |

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

UCITS creation date: A Units: 28 October 2005; B Units: 12 December 2006; E Units: 25 July 2007.

UCITS currency

| EUR | 31.10.2008 | 31.10.2007 | 31.10.2006 | Date n-3 | Date n-4 |
|-------------------|-----------------------|----------------|----------------|----------|----------|
| Net assets | 411 918 034,36 | 413 342 937,01 | 426 120 302,16 | - | - |

A UNIT/FR0010245514

Currency of the UNIT and of the NAV: EUR

| | 31.10.2008 | 31.10.2007 | 30.10.2006 | Date n-3 | Date n-4 |
|--|---------------------|--------------|--------------|----------|----------|
| Number of circulating units | 4 517 468,00 | 3 770 000,00 | 3 907 000,00 | - | - |
| Net asset value | 72,54 | 97,71 | 109,06 | - | - |
| Unit distribution (including advances)* | - | 0,54 | 0,52 | - | - |
| Unit tax credit transferred to unit holders (natural persons)⁽¹⁾ | - | - | - | - | - |
| Unit capitalization * | -0,37 | 0,91 | 4,70 | - | - |

* *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.*

LYXOR ETF JAPAN (TOPIX[®])

| B UNIT/FR0010377028 | Currency of the UNIT and of the NAV: JPY | | | | |
|--|--|------------|------------|----------|----------|
| | 31.10.2008 | 31.10.2007 | 30.10.2006 | Date n-3 | Date n-4 |
| Number of circulating units | 750 000,00 | 300 000,00 | - | - | - |
| Net asset value | 9 087,76 | 16 169,33 | - | - | - |
| Unit distribution (including advances)* | - | *0,54 | - | - | - |
| Unit tax credit transferred to unit holders (natural persons)⁽¹⁾ | - | - | - | - | - |
| Unit capitalization * | -0,09 | 11,50 | - | - | - |

* 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.

* the unit dividend amount results from the conversion of the dividend of JPY 88.35 paid in JPY and converted into EUR using the WM Reuters EUR/JPY fixing set at 163.6283 on 7 December 2007.

| E UNIT/FR0010477430 | Currency of the UNIT and of the NAV: USD | | | | |
|--|--|---------------|------------|----------|----------|
| | 31.10.2008 | 31.10.2007 | 30.10.2006 | Date n-3 | Date n-4 |
| Number of circulating units | 41 230 620,00 | 16 000 000,00 | - | - | - |
| Net asset value | 0,92 | 1,40 | - | - | - |
| Unit distribution (including advances)* | - | **0,0054 | - | - | - |
| Unit tax credit transferred to unit holders (natural persons)⁽¹⁾ | - | - | - | - | - |
| Unit capitalization * | -0.004 | 0,22 | - | - | - |

* 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.

* the unit dividend amount results from the conversion of the dividend of USD 0.007 paid in USD and converted into EUR using the WM Reuters EUR/USD fixing set at 1.46535 on 7 December 2007.

4. UCITS inventory

appendix

Fund: LYXOR ETF JAPAN (TOPIX)
Date: 31/10/2008

| Security code | Name | Quantity | Stock market value | Listing currency | % Assets |
|--|--------------------------------------|--------------|--------------------|------------------|----------|
| LYXOR ETF JAPAN (TOPIX) | | | | | |
| <i>Equity</i> | | | | | |
| <i>Shares & Securities as: NMR or ans.</i> | | | | | |
| JP9169400002 | EISAI | 4 438.00 | 120 096.17 | JPY | 0.03 |
| JP9340000007 | YAMATO HOLDINGS | 15 421.00 | 151 534.93 | JPY | 0.04 |
| JP9351200005 | SHIZUKA BANK | 17 349.00 | 125 332.93 | JPY | 0.03 |
| FR0001200021 | LOREAL | 99 097.00 | 6 024 284.27 | EUR | 1.46 |
| NL0003058903 | WOLTERS KLUWER CIA | 124 893.00 | 1 726 898.66 | EUR | 0.42 |
| FR0000127771 | VIVENDI | 860 826.00 | 17 794 703.38 | EUR | 4.31 |
| IT0000062072 | ASSICURAZIONI GENERALI | 239 941.00 | 4 568 979.00 | EUR | 1.11 |
| CH0011037469 | SYNGENTA AG-NOM | 15 233.00 | 2 087 081.76 | CHF | 0.51 |
| FR0001206644 | GRUPE DANONE | 129 963.00 | 5 540 925.38 | EUR | 1.35 |
| FR0001210114 | LVMI MCET HENNESSY LOUIS VUITTON | 116 826.00 | 6 038 735.94 | EUR | 1.47 |
| DE0007164960 | DEUTSCHE POST AG-NOM | 974 403.00 | 8 506 536.19 | EUR | 2.07 |
| SAP AG | | 228 282.00 | 6 117 957.60 | EUR | 1.49 |
| DE0005523004 | UNION FENSOA SHS | 425 063.00 | 6 968 035.72 | EUR | 1.70 |
| ES0191380710 | LOTTOMATICA SPA | 118 000.00 | 12 002 583.48 | EUR | 2.91 |
| IT0009394042 | NISS HIN SEIFUN GROUP INC | 12 918.00 | 120 545.77 | JPY | 0.03 |
| JP9376810000 | FRESENUS MEDICAL CARE AG & CO | 124 421.00 | 4 229 069.79 | EUR | 1.03 |
| DE0005765982 | DAI NIPPON PRINTING CO LTD | 12 944.00 | 115 622.08 | JPY | 0.03 |
| JP9493000001 | NOKIA OYJ | 1 273 303.00 | 16 198 414.16 | EUR | 3.93 |
| BE0001968737 | KBC GROUPE | 278 795.00 | 8 809 974.00 | EUR | 2.14 |
| JP9436100006 | SOFTBANK CORP | 12 506.00 | 84 855.41 | JPY | 0.02 |
| CH0012139530 | CREDIT SUISSE GROUP AG-NOM | 96 403.00 | 1 894 724.26 | CHF | 0.39 |
| DE0005601968 | DEUTSCHE TELEKOM AG-NOM | 2 161 676.00 | 24 686 894.96 | EUR | 6.00 |
| FR0001102071 | TOTAL | 623 932.00 | 23 643 905.20 | EUR | 6.23 |
| ES0013211636 | BANCO BILBAO VIZCAYA ARGENTA | 1 666 316.00 | 14 330 314.90 | EUR | 3.48 |
| DE0006232125 | DEUTSCHE LUFTHANSA NOM | 591 461.00 | 6 343 419.23 | EUR | 1.54 |
| DE0005140006 | DEUTSCHE BANK AG-NOM | 294 922.00 | 6 319 722.40 | EUR | 2.02 |
| DE0009430026 | MUENCHENER RUECKVERSICHERUNGS AG-NOM | 32.00 | 3 068.88 | EUR | 0.00 |
| ES0144580714 | BERKOLA SA | 984 265.00 | 5 265 449.35 | EUR | 1.28 |
| FR0000128118 | INTESA SANPAOLO SPA | 3 798 042.00 | 10 507 267.18 | EUR | 2.55 |
| FR0000145072 | CREDIT AGRICOLE SA | 132 727.00 | 1 369 742.64 | EUR | 0.33 |
| IT0000684684 | UNICREDIT SPA | 3 567 621.00 | 6 403 903.49 | EUR | 1.56 |

| Security code | Name | Quantity | Stock market value | Listing currency | % Assets |
|--|--------------------------------|------------------|--------------------|------------------|----------|
| IT0003123287 | ENEL SPA | 1 980.155.00 | 16 435 416.26 | EUR | 2.50 |
| DE0008694606 | ALLIANZ SE-NOM | 3 098.00 | 192 078.00 | EUR | 0.06 |
| FR0010340141 | ADP | 1 220.00 | 52 521.00 | EUR | 0.01 |
| FR00011932478 | ENI SPA | 699 105.00 | 12 416 104.80 | EUR | 3.01 |
| FR0000133309 | FRANCE TELECOM | 289 214.00 | 5 253 711.21 | EUR | 1.28 |
| FR000120172 | CARREFOUR SA | 618 616.00 | 20 228 087.88 | EUR | 4.91 |
| JP3670900006 | NISSAN CHEMICAL INDUSTRIES LTD | 16 094.00 | 93 270.18 | JPY | 0.02 |
| FR000131104 | BNP PARIBAS | 423 275.00 | 23 411 652.89 | EUR | 5.88 |
| DE0008032004 | COMMERZBANK | 83 283.00 | 748 714.17 | EUR | 0.18 |
| FR0010208498 | GDF SUEZ | 16 270 875.45 | 16 270 875.45 | EUR | 3.95 |
| ES0178430E18 | TELEFONICA SA | 2 288 496.00 | 32 121 903.36 | EUR | 7.80 |
| FR0001130809 | SOCIETE GENERALE A | 588 373.00 | 23 305 554.53 | EUR | 5.88 |
| Shares & Securities ass. NMR or ass. | | 3 963 324 451.33 | 3 963 324 451.33 | | 88.90 |
| OTHER | | | | | 88.90 |
| <i>Other swaps</i> | | | | | |
| Total Other swaps | | | 29 193 316.13 | EUR | 7.09 |
| <i>Adjustment accounts</i> | | | | | |
| Total Adjustment accounts | | | 26 576 355.61 | EUR | 6.45 |
| Total OTHER | | | 55 759 671.74 | | 13.54 |
| <i>Demand operations</i> | | | | | |
| Total Demand operations | | | -16 109 721.26 | EUR | -3.91 |
| <i>Deferred settlements sales</i> | | | -16 109 721.26 | | -3.91 |
| Total Deferred settlements sales | | | 16 109 721.26 | EUR | 3.91 |
| Total AT BANK OR BENDING MANAGEMENT FEES | | | -0.01 | | |
| <i>Provisioned expenses</i> | | | | | |
| Total Provisioned expenses | | | -168 088.70 | EUR | -0.04 |
| Total MANNAGHMENT FEES | | | -168 088.70 | | -0.04 |
| Total LYXOR ETF JAPAN (TOPIX) | | | 411 918 034.36 | | 100.00 |

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 | % of the Fund's total transactions | % of the Fund's total commission paid in the year | Average rate of commission |
|--|--|------------------------------------|---|----------------------------|
| From November 01, 2007 to October 31, 2008 | EUR | | | |
| Société Générale | 7 948 516 047.46 | 100% | 0 | 0 |

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 JAPAN (TOPIX) is 25.76% down for shares A (EUR) from 31/10/2007 to 31/10/2008, is 43.80% down for shares B (JPY) from 31/10/2007 to 31/10/2008 and is 34.29% down for shares E (USD) from 31/10/2007 to 31/10/2008 on the relevant (fiscal) period.

On the period from 31/10/2007 to 31/10/2008, the TOPIX® INDEX returned a performance equal to -44.04%.

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