

EXCHANGE TRADED FUNDS BY

**LYXOR**

SOCIETE GENERALE GROUP

**LYXOR ETF MSCI KOREA**

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

**Fiscal year closing on 31 May 2010**

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**LYXOR ETF MSCI KOREA**

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 May 2010 concerning:

- the verification of the annual accounts of the mutual fund LYXOR ETF MSCI KOREA, 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 apply the procedures necessary to obtain reasonable assurance that the annual financial statements do not include any significant misstatements. An audit involves verifying, by sampling and other selection methods, the elements underlying the amounts and information contained in the annual financial statements. It also involves assessing the implemented accounting principles, the significant estimates that have been used, and assessing the overall presentation of the financial statements. We feel that the collected evidence is sufficient and appropriate for the basis of our opinion.

We certify that, in accordance with French accounting rules and principles, the annual financial statements 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 company'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, 14 September 2010

The auditor

**PricewaterhouseCoopers Audit**

*(signature)*

Marie-Christine Jetil

<b>ANNUAL ACCOUNTS</b>
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**BALANCE SHEET assets**

	31.05.2010	29.05.2009
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>214 765 280,26</b>	<b>84 293 522,70</b>
• <b>SHARES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	199 563 748,99	79 715 830,06
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT INSTRUMENTS</b>		
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	-	-
• <b>MUTUAL FUND SHARES</b>		
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	-	-
• <b>TEMPORARY OPERATIONS INVOLVING SECURITIES</b>		
Receivables representing securities held in pension	-	-
Receivables representing loaned securities	-	-
Securities borrowed	-	-
Securities given in pension	-	-
Other temporary operations	-	-
• <b>FUTURE FINANCIAL INSTRUMENTS</b>		
Operations on a regulated or similar market	-	-
Other positions	15 201 531,27	4 577 692,64
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Liabilities</b>	<b>10 536 603,13</b>	<b>3 180 326,55</b>
Future foreign currency operations	-	-
Other	10 536 603,13	3 180 326,55
<b>Financial accounts</b>	<b>8 397 982,55</b>	<b>1 207 701,01</b>
Liquidity	8 397 982,55	1 207 701,01
<b>Total assets</b>	<b>233 699 865,94</b>	<b>88 681 550,26</b>

**BALANCE SHEET liabilities**

	31.05.2010	29.05.2009
Currency	EUR	EUR
<b>Shareholders equity</b>		
• Capital	215 862 993,06	84 785 912,53
• Carried forward	-	-
• Adjustment of carried forward	-	-
• Result	-1 213 737,11	-537 124,14
<b>Total shareholders equity</b> <i>(amount representing the net assets)</i>	<b>214 649 255,95</b>	<b>84 248 788,39</b>
<b>Financial instruments</b>	-	-
• <b>Operations involving the sale of financial instruments</b>	-	-
• <b>Temporary operations involving securities</b>		
Debts representing securities given in pension	-	-
Debts representing borrowed securities	-	-
Other temporary operations	-	-
• <b>Future financial operations</b>		
Operations on a regulated or similar exchange market	-	-
Other positions	-	-
<b>Debts</b>	<b>19 050 609,99</b>	<b>4 432 761,87</b>
Future foreign exchange operations	-	-
Other	19 050 609,99	4 432 761,87
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>233 699 865,94</b>	<b>88 681 550,26</b>

**Off-balance sheet commitments**

	31.05.2010	29.05.2009
Currency	EUR	EUR
<b>Hedging operations</b>		
• 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)	-	-
<b>Other operations</b>		
• 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	213 590 903,15	125 115 924,81
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

**Profit and loss account**

	31.05.2010	29.05.2009
Currency	EUR	EUR
<b>Earnings and financial operations</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings and shares and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt instruments	-	-
• Earnings on temporary acquisitions and sales of securities	-	-
• Earnings on future financial instruments	-	-
• Other financial earnings	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary acquisitions and sales of securities	-	-
• Charges on future financial instruments	-	-
• Charges on financial debts	-	-
• Other financial charges	-	-
<b>Total (II)</b>	-	-
<b>Earnings on financial operations (I - II)</b>	-	-
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-897 173,98	-438 872,26
<b>Net earnings of the fiscal year (L.214-9) (I - II + III - IV)</b>	<b>-897 173,98</b>	<b>-438 872,26</b>
Adjustment of the fiscal year's earnings (V)	-316 563,13	-98 251,88
Advances paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-1 213 737,11</b>	<b>-537 124,14</b>



## **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 of 3 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 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 of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day of the net asset value. 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 exchange rates disseminated by WM/Reuters the day 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.

<b>Fees invoiced to the MF</b>	<b>Basis</b>	<b>Schedule, rate</b>
Operation and management fees, tax incl. <sup>(1)</sup>	Net assets	maximum 0.65% 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 accountancy changes declared to each of the bearers individually**

- Occurred change: None
- Future change: None

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- 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**

	31.05.2010	29.05.2009
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>84 248 788,39</b>	<b>87 931 470,05</b>
Subscriptions (including subscription commission acquired by the UCITS)	110 284 100,33	21 410 172,86
Redemptions (less the redemption commission acquired by the UCITS)	-29 070 568,32	-
Capital gains generated on deposits and financial instruments	38 722 138,03	17 572 322,14
Capital losses generated on deposits and financial instruments	-37 705 339,18	-47 606 931,39
Capital gains generated on future financial instruments	271 801 482,76	170 421 649,08
Capital losses generated on future financial instruments	-224 602 067,93	-164 606 798,93
Negotiation fees	-	-
Exchange differentials	3 393 157,95	-174 905,31
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	-4 456 879,94	443 885,49
- <i>Estimate difference fiscal year N-1</i>	-3 673 948,55	782 931,39
	782 931,39	339 045,90
Changes to the estimate difference of future financial instruments:		
- <i>Estimate difference fiscal year N</i>	2 931 617,84	-703 203,34
- <i>Estimate difference fiscal year N-1</i>	2 075 338,49	-856 279,35
	-856 279,35	-153 076,01
Distribution from the previous fiscal year	-	-
Net earnings of the fiscal year before adjustment account	-897 173,98	-438 872,26
Advance(s) paid during the fiscal year	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>214 649 255,95</b>	<b>84 248 788,39</b>

### 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	-	-
Euro Medium Term Notes (“EMTN”)	-	-
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	-	-	-	-

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

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	213 590 903,15
Other commitments	-	-	-	-

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

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt instruments	-	-	-	-
Temporary operations on securities	-	-	-	-
Financial accounts	-	-	-	8 397 982,55
<b>Liabilities</b>				
Temporary operations on securities	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
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
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt instruments	-	-	-	-	-
Temporary operations on securities	-	-	-	-	-
Financial accounts	8 397 982,55	-	-	-	-
<b>Liabilities</b>					
Temporary operations on securities	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	213 590 903,15



### 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	JPY	CHF	SEK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	17 761 637,47	7 422 340,99	2 093 176,14	112 636,11
Bonds and similar securities	-	-	-	-
Debt instruments	-	-	-	-
MF shares	-	-	-	-
Temporary operations on securities	-	-	-	-
Forward financial instruments on the asset side	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary operations on securities	-	-	-	-
Forward financial instruments on the liability side	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
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).*

<b>Receivables</b>	<b>10 536 603,13</b>
Future currency exchange operations	-
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	10 536 603,13
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>-19 050 609,99</b>
Future currency exchange operations	-
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlements purchases	18 934 586,45
Provisioned costs	116 023,54
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders equity

Number of units issued/redeemed during the fiscal year:	Number of units	Subscriptions		Redemptions	
		Amount	Number of units	Amount	Amount
UNIT A / FR0010361691	3 080 321	85 488 572,39	350 000	9 387 000,00	
UNIT B / FR0010375774	6 800 000	20 499 513,74	7 300 000	19 683 568,32	
UNIT E / FR0010581447	150 000	4 296 014,20	-	-	
Subscription / redemption commission by share category:		Amount		Amount	
UNIT A / FR0010361691		-		-	
UNIT B / FR0010375774		-		-	
UNIT E / FR0010581447		-		-	
Remittances by share category:		Amount		Amount	
UNIT A / FR0010361691		-		-	
UNIT B / FR0010375774		-		-	
UNIT E / FR0010581447		-		-	
Commissions acquired by the UCITS by share category:		Amount		Amount	
UNIT A / FR0010361691		-		-	
UNIT B / FR0010375774		-		-	
UNIT E / FR0010581447		-		-	

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets:	%
Share category:	
UNIT A / FR0010361691	0,65
UNIT B / FR0010375774	0,65
UNIT E / FR0010581447	0,65
Performance commissions (variable fees): amount of costs for the year	Amount
Share category:	
UNIT A / FR0010361691	-
UNIT B / FR0010375774	-
UNIT E / FR0010581447	-
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	
- Swap	15 201 531,27

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

**Advances paid during the fiscal year**

Date	Unit category	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

	31.05.2010	29.05.2009
Allocation of the profit/loss	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Adjustment of carried forward	-	-
Earnings	-1 213 737,11	-537 124,14
<b>Total</b>	<b>-1 213 737,11</b>	<b>-537 124,14</b>

UNIT A / FR0010361691	31.05.2010	29.05.2009
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-865 444,00	-287 564,49
<b>Total</b>	<b>-865 444,00</b>	<b>-287 564,49</b>
<b>Information relative to the units resulting in a distribution right</b>		
Number of circulating units	4 820 000,00	2 089 679,00
Distribution per unit	-	-
<b>Tax credits</b>	-	-

**LYXOR ETF MSCI KOREA**

UNIT B / FR0010375774	31.05.2010	29.05.2009
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-301 625,66	-238 126,20
<b>Total</b>	<b>-301 625,66</b>	<b>-238 126,20</b>
<b>Information relative to the units resulting in a distribution right</b>		
Number of circulating units	16 814 215,00	17 314 215,00
Distribution per unit	-	-
<b>Tax credits</b>	-	-

UNIT E / FR0010581447	31.05.2010	29.05.2009
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-46 667,45	-11 433,45
<b>Total</b>	<b>-46 667,45</b>	<b>-11 433,45</b>
<b>Information relative to the units resulting in a distribution right</b>		
Number of circulating units	260 000,00	110 000,00
Distribution per unit	-	-
<b>Tax credits</b>	-	-

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

*UCITS creation date: Units A: 26 September 2006; Units B: 14 November 2006; Units E: 5 August 2008.*

UCITS currency					
EUR	<b>31.05.2010</b>	29.05.2009	30.05.2008	31.05.2007	-
<b>Net assets</b>	<b>214 649 255,95</b>	84 248 788,39	87 931 470,05	101 159 627,55	-

**LYXOR ETF MSCI KOREA**

UNIT A / FR0010361691		Currency of the unit and of the net asset value: EUR			
	<b>31.05.2010</b>	29.05.2009	30.05.2008	31.05.2007	-
<b>Number of circulating units</b>	<b>4 820 000,00</b>	2 089 679,00	1 349 679,00	1 600 000,00	-
<b>Net asset value</b>	<b>31,75</b>	21,44	31,62	35,74	-
<b>Unit distribution (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons)<sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalization *</b>	<b>-0,17</b>	-0,13	3,72	1,48	-

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

(1) 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 / FR0010375774		Currency of the unit and of the net asset value: USD			
	<b>31.05.2010</b>	29.05.2009	30.05.2008	31.05.2007	-
<b>Number of circulating units</b>	<b>16 814 215,00</b>	17 314 215,00	14 314 215,00	12 300 000,00	-
<b>Net asset value</b>	<b>3,89</b>	3,03	4,90	4,80	-
<b>Unit distribution (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons)<sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalization *</b>	<b>-0,01</b>	-0,01	0,37	0,15	-

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

(1) 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 MSCI KOREA**

UNIT E / FR0010581447		Currency of the unit and of the net asset value: USD			
	<b>31.05.2010</b>	29.05.2009	30.05.2008	31.05.2007	-
<b>Number of circulating units</b>	<b>260 000,00</b>	110 000,00	-	-	-
	<b>38,95</b>	30,33	-	-	-
<b>Net asset value</b>					
<b>Unit distribution (including advances)*</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons)<sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalization *</b>	<b>-0,17</b>	-0,10	-	-	-

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

(1) 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

Security code	Name	Quantity	Stock market value	Listing currency	% Assets
<b>LYXOR ETF MSCI KOREA</b>					
<b>Investment Securities</b>					
<i>Equity</i>					
JP3205000003	CASIO	22 987.00	123 235.27	JPY	0.06
ES0773516115	REPSOL YPF SA	446 091.00	7 442 688.83	EUR	3.47
CH0012005267	NOVARTIS AG-NOM	24 804.00	918 569.46	CHF	0.43
CH0012032048	ROCHE HOLDING AG-BON JOUISSANCE	1 718.00	192 322.93	CHF	0.09
FR0000712644	DANONE	40 160.00	1 887 523.20	EUR	0.79
DE0006231004	INFINEON TECHNOLOGIES AG-NOM	220 763.00	1 028 976.34	EUR	0.48
JP3814000000	FUJIFILM HOLDINGS CORP	22 292.00	540 571.06	JPY	0.25
DE0006483001	LINDE AG	85 334.00	7 157 815.92	EUR	3.34
DE0009430026	MUECHENER RUECKVERSICHERUNGS AG-NOM	97 686.00	10 110 501.00	EUR	4.71
FR0009049294	KEMIRA OYJ	70 263.00	624 113.04	EUR	0.29
JP3810000003	NIPPON STEEL CORP	640 860.00	1 855 836.86	JPY	0.87
JP3670200006	NISSAN CHEMICAL INDUSTRIES LTD	136 164.00	1 325 826.25	JPY	0.62
FR0010261665	SAFT GROUPE	45 242.00	1 140 550.82	EUR	0.53
JP3227603006	KEISEI EL RAILWAY	111 877.00	498 769.04	JPY	0.23
JP3238900008	TDK CORPORATION	127 126.00	6 031 687.92	JPY	2.81
DK0008102614	NOVO NORDISK B	443.00	27 839.16	DKK	0.01
DE0008232125	DEUTSCHE LUFTHANSA NOM	194 473.00	2 095 363.67	EUR	0.98
JP3160400002	EISAI	32 205.00	875 006.60	JPY	0.41
CH0024899483	UBS AG NOM	509 218.00	5 578 355.41	CHF	2.60
FR0010241638	MERCIALYS	36 513.00	820 354.30	EUR	0.38
SE0000107419	INVESTOR B	64 756.00	854 066.02	SEK	0.40
FR0004180578	SWORD GROUP	61 519.00	1 461 076.35	EUR	0.68
JP3463000004	BANCO DE SABADELL	290 505.00	1 009 214.37	EUR	0.47
ES0713860A34	TAKEDA PHARMACEUTICAL CO LTD	157 437.00	5 346 696.02	JPY	2.49
CH0014852781	SWISS LIFE HOLDING NOM	133.00	11 680.25	CHF	0.01
SE0000106656	ERICSSON LMA4 SHS	148 238.00	1 209 110.12	SEK	0.58
JP3762600009	NOMURA HDGS INC	135 810.00	666 141.12	JPY	0.32
FR0000120685	NATIXIS	227 112.00	820 101.43	EUR	0.38
ES0716807034	GAS NATURAL SOG	78 494.00	934 471.07	EUR	0.44
DE0005552004	DEUTSCHE POST AG-NOM	79 610.00	864 873.20	EUR	0.45
CH0012221716	ABB LTD-NOM	51 626.00	721 412.84	CHF	0.34
JP3386390004	J FRONT RETAILING	111 433.00	468 855.23	JPY	0.22
NL0000008538	ROYAL PHILIPS ELECTRONICS NV	201 163.00	4 906 365.57	EUR	2.29
DE0007236101	SIEMENS AG-NOM	134 630.00	9 965 312.60	EUR	4.64
DE0005557508	DEUTSCHE TELEKOM AG-NOM	1 222 524.00	11 143 306.26	EUR	5.19



Security code	Name	Quantity	Stock market value	Listing currency	% Assets
AJ000000P038	PALADIN ENERGY LTD	31 405.00	84 786.85	AUD	0.04
FR0011208468	GDF SUEZ	1 622.00	41 224.32	EUR	0.02
NL0003303709	AEON NV	304 673.00	1 412 768.70	EUR	0.66
ES0714380Y14	IBERDROLA SA	81 060.00	437 183.96	EUR	0.20
NL0000009395	UNILEVER OVA	546 797.00	12 220 912.55	EUR	5.69
ES0718430E18	TELEFONICA SA	1 063 777.00	16 557 669.01	EUR	7.71
FR0000121972	SCHNEIDER ELECTRIC SA	63 877.00	5 237 775.23	EUR	2.44
FR0010220475	ALSTOM	9 893.00	387 113.09	EUR	0.18
DE00084Y0017	BAYER AG	163 225.00	7 426 737.50	EUR	3.46
DE0008404005	ALLIANZ SE-NOM	130 335.00	10 610 568.54	EUR	4.94
DE0007664005	VOLKSWAGEN AG	6 916.00	465 297.70	EUR	0.23
DE0007037129	RWE AG	10 139 916.98	20 236 831.01	EUR	4.72
FR0000127771	VIVENDI	1 147 526.00	828 972.98	EUR	0.43
FR0000121501	PEUGEOT SA	47 837.00	6 362 539.75	EUR	3.91
IT0003126367	ENEL SPA	2 242 620.00	10 477 580.76	EUR	4.88
ES00113211635	BANCO BILBAO VIZCAYA ARGENTA	1 229 763.00	3 876 652.53	EUR	1.81
DE0007182000	X S S AG	105 905.00			
Total Equity			199 583 748.99		92.97
Total Investment Securities					92.97
Cash					
OTHER					
	IMPLETIF Swap exp. PTF		2 075 338.49	EUR	0.97
	Swap need pos EUR G0		13 126 192.78	EUR	6.12
Total OTHER			15 201 531.27		7.09
AT BANK OR PENDING					
	EUR SCP bank		8 397 982.55	EUR	3.91
	DNK purchases EUR securities		-18 994 598.45	EUR	-8.82
	Dnk sales EUR securities		10 586 805.13	EUR	4.91
Total AT BANK OR PENDING			-41.77		
MANAGEMENT FEES					
	PrComGestAdm		-116 023.54	EUR	-0.05
Total MANAGEMENT FEES			-116 023.54		-0.05
Total Cash			15 085 506.96		7.03
Total LYXOR ETF MSCI KOREA			214 649 255.95		100.00

## 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
EUR				
Closing on 31 May 2010				
Société Générale	2 559 517 297.95	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 MSCI KOREA Fund posted a performance of +48.09% for the A unit (EUR) between 29/05/2009 and 31/05/2010, a performance of +28.38% for the B unit (USD) between 29/05/2009 and 31/05/2010 and a performance of +28.42% for the E unit (USD) between 29/05/2009 and 31/05/2010.

Over the period from 29/05/2009 to 31/05/2010, the MSCI KOREA<sup>TM</sup> posted a performance of +22.65%.

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