

EXCHANGE TRADED FUNDS BY

LYXOR

SOCIETE GENERALE GROUP

LYXOR ETF MSCI TAIWAN

UNAUDITED SEMI ANNUAL REPORTS AND FINANCIAL STATEMENTS

For the period from February 27, 2010 to August 31, 2010

LYXOR ETF MSCI TAIWAN

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LYXOR ETF MSCI TAIWAN

ADMINISTRATION

Manager

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

Depository bank and Registrar

Société Générale
Tour Granite
75886 Paris Cedex 18
France

Administrative Agent

SGSS FRANCE
10, passage de l'Arche
Immeuble Colline Sud
92034 Paris La Défense
France

Auditors

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

Singapore Representative

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

LYXOR ETF MSCI TAIWAN

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD FROM FEBRUARY 27, 2010 TO AUGUST 31, 2010

	Note	AUGUST 31, 2010 USD	FEBRUARY 26, 2010 USD
Assets			
Investments		95,585,723.65	93,189,567.58
Swap		4,706,769.18	5,809,652.84
		<hr/>	<hr/>
Financial assets at fair value through profit or loss		100,292,492.83	98,999,220.42
Receivable on pending trade		1,841,291.55	3,596,169.88
		<hr/>	<hr/>
Total assets		102,133,784.38	102,595,390.30
Liabilities			
Provisions for Management fees		58,298.95	49,990.34
Payable on pending trade		0.00	2,478,306.80
Due to the bank		1,841,291.54	1,117,863.07
		<hr/>	<hr/>
Liabilities (excluding net assets attributable to holders of redeemable participating units)		1,899,590.49	3,646,160.21
Net assets attributable to holders of redeemable participating units		100,234,193.89	98,949,230.09
		<hr/>	<hr/>
Total Liabilities		102,133,784.38	102,595,390.30
		<hr/>	<hr/>

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

LYXOR ETF MSCI TAIWAN

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM FEBRUARY 27, 2010 TO AUGUST 31, 2010

	Note	AUGUST 31, 2010 USD	FEBRUARY 26, 2010 USD
Income			
Gross Dividend Income		0.00	0.00
Interest income		1,401,503.91	3,270,549.23
Realised gain / (loss) on investments		(16,023,557.83)	17,217,762.11
Realised gain / (loss) on derivative financial instruments		13,386,489.56	15,339,819.03
Net change in unrealised gain/(loss) on investments		4,315,248.80	5,433,153.35
Net change in unrealised gain/(loss) on derivative financial instruments		(126,153.59)	(2,133,985.50)
Net gain / (loss) on financial assets at fair value through profit or loss		2,953,530.85	39,127,298.22
Total Investment Income / (loss)		2,953,530.85	39,127,298.22
Expenses			
Management and other fees		(329,024.28)	(581,537.57)
Total Operating expenses		(329,024.28)	(581,537.57)
Operating profit / (loss)		2,624,506.57	38,545,760.65
Finance costs			
Interest expense		(98.64)	(457.91)
Distributions to holders of redeemable participating units		(1,071,694.63)	(3,667,140.90)
Total Finance costs		(1,071,793.27)	(3,667,598.81)
Increase / (decrease) in net assets attributable to holders of redeemable participating units from operations		1,552,713.30	34,878,161.84

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

LYXOR ETF MSCI TAIWAN

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO HOLDERS OF REDEEMABLE PARTICIPATING UNITS
FOR THE PERIOD FROM FEBRUARY 27, 2010 TO AUGUST 31, 2010

	Note	AUGUST 31, 2010 USD	FEBRUARY 26, 2010 USD
Net assets attributable to holders of redeemable participating units at 27 February 2010		98,949,230.09	54,179,888.70
Proceeds from redeemable participating units issued		6,204,250.50	37,914,863.48
Redemptions of redeemable participating units		(6,472,000.00)	(28,023,683.93)
Total		98,681,480.59	64,071,068.25
Distribution to holders of redeemable participating units		(1,071,694.63)	(3,667,140.90)
Operating profit / (loss)		2,624,407.93	38,545,302.74
Net assets attributable to holders of redeemable participating units at the end of the period		100,234,193.89	98,949,230.09

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

LYXOR ETF MSCI TAIWAN

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM FEBRUARY 27, 2010 TO AUGUST 31, 2010

	AUGUST 31, 2010 USD	FEBRUARY 26, 2010 USD
Cash flows from operating activities		
Purchase of financial assets and settlement of financial liabilities	(452,416,464.68)	(671,648,583.79)
Proceeds from sale of investments	438,990,075.34	653,033,402.88
Proceeds from derivative financial instruments	14,363,219.63	8,618,028.80
Interest received	1,401,503.91	3,270,549.23
Dividend received	0.00	0.00
Operating expenses paid	(320,715.67)	(588,257.95)
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	2,017,618.53	(7,314,860.83)
Cash flows from financing activities		
Distributions paid to holders of redeemable shares	(1,071,694.63)	(3,667,140.90)
Net proceeds from short term borrowings	(1,401,602.87)	(27,037.42)
Proceeds from redeemable shares	6,204,250.50	37,914,863.48
Redemptions of redeemable shares	(6,472,000.00)	(28,023,683.93)
	<hr/>	<hr/>
Net cash (outflow) / inflow from financing activities	(2,741,047.00)	6,197,001.23
Effect of change in foreign exchange rate on cash	0.00	(3.47)
Net increase / (decrease) in cash and cash equivalents	(723,428.47)	(1,117,863.07)
Cash and cash equivalents at February 26, 2010	(1,117,863.07)	0.00
Cash and cash equivalents at August 31, 2010	(1,841,291.54)	(1,117,863.07)

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

NOTES TO THE FINANCIAL STATEMENTS

1 General information

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

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

Investment objective

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies

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

(a) Basis of preparations

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

Standards, amendments and interpretations effective August 31, 2010 but not relevant for the Fund's operations:

The following interpretation to existing standards has been published and is mandatory for the Fund's accounting periods beginning on or after February 1, 2009 or later periods but is not relevant for the Fund's operations:

- IAS 23 (amendment), 'Borrowing costs';
- IAS 27 (revised), 'Consolidated and separate financial statements';
- IAS 39 (amendment), 'Financial instruments: Recognition and measurement';
- IAS 39 and IFRS 7 (amendments), 'Reclassification of financial assets';
- IAS 39 and IFRIC 9 (amendments), 'Embedded derivatives';
- IFRS 1 (amendment), 'First-time adoption of IFRS', and IAS 27, 'Consolidated and separate financial statements';
- IFRS 1 (amendments), 'Additional exemptions for first-time adopters';
- IFRS 2 (amendment), 'Share-based payment';
- IFRS 2 (amendments), 'Group cash-settled share-based payment transactions';
- IFRS 3 (revised), 'Business combinations';
- IFRS 8, 'Operating segments' and
- IFRIC 15, 'Agreements for construction of real estates';
- IFRIC 17, 'Distributions of non-cash assets to owners'; and
- IFRIC 18, 'Transfers of assets from customers'.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Standards, amendments and interpretations to existing standards that are not yet effective and not relevant for the Fund's operations:

The following interpretations are mandatory for the Fund's accounting periods beginning on or after July 1, 2009 or later periods but are not relevant for the Fund's operations:

- IFRS 9, 'Financial instruments: classification and measurement' (effective from 1 January 2013)

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

(b) Segment reporting

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

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

(c) Functional and presentation currency

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

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

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

Classification

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

Recognition

Regular-way purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Financial assets and liabilities are derecognised when the rights to receive cash flows from the securities have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Measurement

Investments are initially recognised at fair value, and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred.

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

Fair value estimation

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

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

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

The resulting unrealised gains and losses on investments are recognised in the statement of comprehensive income. Security transactions are accounted for on the trade date (the date on which the order to buy or sell is executed). Realised gains and losses on sales of securities are calculated on an average cost basis and are recorded in the statement of comprehensive income.

The Fund adopted the amendment to IFRS 7, effective 1 January 2009. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level I - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The type of investments which would generally be included would include equities and derivatives listed on a securities exchange.
- Level II - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly (including quoted prices for similar investments in active markets, interest rates and yield curves, credit risks, etc.). The type of investments which would generally be included in this category would include corporate bonds, bank debt and certain over-the-counter derivatives.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Level III – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. The type of investments which would generally be included in this category would include private or debt securities issued by private entities. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities.

(e) Foreign exchange

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

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

(f) Investment income and expenses

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

All expenses are accounted for on an accrual basis.

(g) Redeemable participating units

The Fund issues redeemable units, which are redeemable at the holder's option and are classified as financial liabilities in accordance with IAS 32, 'Financial Instruments – Presentation'. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value.

The redeemable unit is carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net assets value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of redeemable units with the total number of outstanding redeemable units.

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

The net asset value of the Fund is computed daily.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held and other short-term highly liquid investments with original maturities of three months or less.

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

(j) Pre-operation costs

There were no pre-operation costs incurred by the Fund.

(k) Accrued expenses and other payables

Accrued expenses and other payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(l) Finance costs

Distributions to holders of redeemable units and other finance costs such as interest expenses are recognised in the statement of comprehensive income as finance costs.

(m) Critical accounting estimates and judgements

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of derivative financial instruments

The Fund may, from time to time, hold financial instruments that are not quoted in active markets, such as over-the-counter derivatives. Fair values of such instruments are determined by using valuation techniques. Where valuation techniques are used to determine fair value, they are validated and periodically reviewed by experienced personnel at the Manager's.

The Fund's financial assets and financial liabilities are held for the purpose of being traded or are expected to be realised within one year.

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Fees

Management fees

The operating expenses supported by the Fund represent 0.65 percent per annum of the net assets. As at August 31, 2010, management fees are USD 329,024.28 and provision for management fees USD 58,298.95.

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

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

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

4 Distributions payable to holders of redeemable shares

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

5 Bank loans, overdrafts and other borrowings

Bank overdrafts total USD 1,841,291.54 as presented in the statement of financial positions as at August 31, 2010.

6 Units in issue

	For the period from February 27, 2010 to August 31, 2010	For the year ended February 26, 2010
Units outstanding at the beginning of the period	69,795,930.000	82,662,830.000
Units issued	680,000.000	11,500,000.000
Units redeemed	(800,000.000)	(24,366,900.000)
	<hr/>	<hr/>
Units outstanding at the end of the period	69,675,930.000	69,795,930.000

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Net asset value per unit

	As at August 31, 2010	As at February 26, 2010
Net assets attributable to holders of Redeemable participating units (share A)	56,057,997.53	54,786,946.08
Net assets attributable to holders of Redeemable participating units (share B)	35,911,210.62	29,294,595.35
Net assets attributable to holders of Redeemable participating units (share E)	8,264,985.74	14,867,688.66
Number of units in issue (share A)	64,612,830.00	64,612,830.00
Number of units in issue (share B)	4,113,100.00	3,433,100.00
Number of units in issue (share E)	950,000.00	1,750,000.00
Net asset value per unit (share A)	0.87	0.84
Net asset value per unit (share B)	8.73	8.53
Net asset value per unit (share E)	8.70	8.49

8 Transactions with Manager and its related parties

(a) Investment transactions with related parties of the Manager

The following is a summary of the transactions entered into during the period between the Fund and the Manager and its related parties:

Name of company	Aggregate value of purchases and sales of securities USD	% of the Fund's total transactions	% of the Fund's total commission paid in the year	Average rate of commission %
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For the period from February 27, 2010 to August 31, 2010

Société Générale	905,137,108.46	100.00	0.00	0.00
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Year ended February 26, 2010

Société Générale	1,330,756,466.81	100.00	0.00	0.00
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As at August 31, 2010, the equity linked swap concluded with Société Générale has a market value of USD 4,706,769.18.

The Manager, Lyxor International Asset Management, is also a 100% subsidiary of Société Générale.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Soft commission arrangements

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

10 Stock lending arrangements

There are no stock-lending arrangements.

11 Commitments

There are no commitments.

12 Negotiability of assets

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

13 Contingent liabilities

There are no contingent liabilities.

14 Post-statement of financial position events

There are no post-statement of financial position events.

15 Financial risk factors

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

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

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

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Market and Equity risk

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

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

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

The overall market exposures were as follows:

As at August 31, 2010, the composition of the MSCI TAIWAN™ is as follows.

Name	Ticker	% weight in the index
Acer Inc	2353 TT Equity	1.768795
Advanced Semiconductor Engineering Inc	2311 TT Equity	0.98111
Advantech Co Ltd	2395 TT Equity	0.172617
Asia Cement Corp	1102 TT Equity	0.489605
Asustek Computer Inc	2357 TT Equity	1.127729
AU Optronics Corp	2409 TT Equity	1.911363
Capital Securities Corp	6005 TT Equity	0.135133
Catcher Technology Co Ltd	2474 TT Equity	0.32529
Cathay Financial Holding Co Ltd	2882 TT Equity	2.822711
Chang Hwa Commercial Bank	2801 TT Equity	0.624728
Cheng Shin Rubber Industry Co Ltd	2105 TT Equity	0.679686
Cheng Uei Precision Industry Co Ltd	2392 TT Equity	0.164115
Chicony Electronics Co Ltd	2385 TT Equity	0.21378
Chimei Innolux Corp	3481 TT Equity	1.443828
China Airlines Ltd	2610 TT Equity	0.362067
China Development Financial Holding Corp	2883 TT Equity	0.732334
China Life Insurance Co Ltd/Taiwan	2823 TT Equity	0.286502
China Steel Corp	2002 TT Equity	2.840369
Chinatrust Financial Holding Co Ltd	2891 TT Equity	1.486176
Chinese Gamer International Corp	3083 TT Equity	0.090735
Chunghwa Picture Tubes	2475 TT Equity	0.192589
Chunghwa Telecom Co Ltd	2412 TT Equity	2.867344
Clevo Co	2362 TT Equity	0.301256
CMC Magnetics Corp	2323 TT Equity	0.185218
Compal Communications Inc	8078 TT Equity	0.063116
Compal Electronics Inc	2324 TT Equity	1.275076

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<u>Name</u>	<u>Ticker</u>	<u>% weight in the index</u>
Coretronic Corp	5371 TT Equity	0.257558
Delta Electronics Inc	2308 TT Equity	1.993154
E Ink Holdings Inc	8069 TT Equity	0.292652
E.Sun Financial Holding Co Ltd	2884 TT Equity	0.426823
Epistar Corp	2448 TT Equity	0.4837
Eternal Chemical Co Ltd	1717 TT Equity	0.177161
Eva Airways Corp	2618 TT Equity	0.310491
Evergreen International Storage & Transp	2607 TT Equity	0.109281
Evergreen Marine Corp Taiwan Ltd	2603 TT Equity	0.239841
Everlight Electronics Co Ltd	2393 TT Equity	0.217743
Far Eastern Department Stores Co Ltd	2903 TT Equity	0.254047
Far Eastern New Century Corp	1402 TT Equity	0.982989
Far EastOne Telecommunications Co Ltd	4904 TT Equity	0.610486
Farglory Land Development Co Ltd	5522 TT Equity	0.157626
Feng Hsin Iron & Steel Co	2015 TT Equity	0.197726
First Financial Holding Co Ltd	2892 TT Equity	0.827959
Formosa Chemicals & Fibre Corp	1326 TT Equity	1.866431
Formosa International Hotels Corp	2707 TT Equity	0.132365
Formosa Petrochemical Corp	6505 TT Equity	0.757238
Formosa Plastics Corp	1301 TT Equity	2.602561
Formosa Taffeta Co Ltd	1434 TT Equity	0.16728
Foxconn Technology Co Ltd	2354 TT Equity	0.562337
Fubon Financial Holding Co Ltd	2881 TT Equity	1.761454
Giant Manufacturing Co Ltd	9921 TT Equity	0.316402
HannStar Display Corp	6116 TT Equity	0.254292
Hon Hai Precision Industry Co Ltd	2317 TT Equity	9.002971
HTC Corp	2498 TT Equity	3.795067
Hua Nan Financial Holdings Co Ltd	2880 TT Equity	0.687705
Inotera Memories Inc	3474 TT Equity	0.262912
Inventec Co Ltd	2356 TT Equity	0.279425
KGI Securities Co Ltd	6008 TT Equity	0.335309
Kinsus Interconnect Technology Corp	3189 TT Equity	0.15779
Largan Precision Co Ltd	3008 TT Equity	0.500033
Lite-On Technology Corp	2301 TT Equity	0.695607
Macronix International	2337 TT Equity	0.51886
MediaTek Inc	2454 TT Equity	3.733863
Mega Financial Holding Co Ltd	2886 TT Equity	1.380147
Micro-Star International Co Ltd	2377 TT Equity	0.131394
Mitac International Corp	2315 TT Equity	0.117896
Motech Industries Inc	6244 TT Equity	0.283537
Nan Ya Plastics Corp	1303 TT Equity	2.682565
Nan Ya Printed Circuit Board Corp	8046 TT Equity	0.209379
Nanya Technology Corp	2408 TT Equity	0.202251
Novatek Microelectronics Corp Ltd	3034 TT Equity	0.335446
Pegatron Corp	4938 TT Equity	0.548982
Phison Electronics Corp	8299 TT Equity	0.145911
Pixart Imaging Inc	3227 TT Equity	0.142135
Polaris Securities Co Ltd	2854 TT Equity	0.266726

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<u>Name</u>	<u>Ticker</u>	<u>% weight in the index</u>
Pou Chen Corp	9904 TT Equity	0.517995
Powerchip Technology Corp	5346 TT Equity	0.368999
Powertech Technology Inc	6239 TT Equity	0.498003
President Chain Store Corp	2912 TT Equity	0.567516
Qisda Corp	2352 TT Equity	0.25724
Quanta Computer Inc	2382 TT Equity	1.103644
Realtek Semiconductor Corp	2379 TT Equity	0.224753
Richtek Technology Corp	6286 TT Equity	0.270274
Ruentex Development Co Ltd	9945 TT Equity	0.21659
Ruentex Industries Ltd	2915 TT Equity	0.372041
Shin Kong Financial Holding Co Ltd	2888 TT Equity	0.501798
Siliconware Precision Industries Co	2325 TT Equity	0.78692
Simplo Technology Co Ltd	6121 TT Equity	0.293889
SinoPac Financial Holdings Co Ltd	2890 TT Equity	0.579702
Synnex Technology International Corp	2347 TT Equity	0.708031
Taishin Financial Holding Co Ltd	2887 TT Equity	0.499263
Taiwan Business Bank	2834 TT Equity	0.199142
Taiwan Cement Corp	1101 TT Equity	0.803942
Taiwan Cooperative Bank	5854 TT Equity	0.66712
Taiwan Fertilizer Co Ltd	1722 TT Equity	0.663632
Taiwan Glass Industrial Corp	1802 TT Equity	0.236347
Taiwan Mobile Co Ltd	3045 TT Equity	1.081035
Tatung Co Ltd	2371 TT Equity	0.233037
Teco Electric and Machinery Co Ltd	1504 TT Equity	0.233567
Transcend Information Inc	2451 TT Equity	0.143278
Tripod Technology Corp	3044 TT Equity	0.383914
TSMC	2330 TT Equity	13.352525
TSRC Corp	2103 TT Equity	0.19595
Tung Ho Steel Enterprise Corp	2006 TT Equity	0.181275
U-Ming Marine Transport Corp	2606 TT Equity	0.244664
Uni-President Enterprises Corp	1216 TT Equity	1.243909
Unimicron Technology Corp	3037 TT Equity	0.57825
United Microelectronics Corp	2303 TT Equity	1.477799
Vanguard International Semiconductor Cor	5347 TT Equity	0.089035
Walsin Lihwa Corp	1605 TT Equity	0.36294
Wan Hai Lines Ltd	2615 TT Equity	0.199512
Winbond Electronics Corp	2344 TT Equity	0.203898
Wintek Corp	2384 TT Equity	0.399593
Wistron Corp	3231 TT Equity	0.858649
WPG Holdings Co Ltd	3702 TT Equity	0.433164
Yang Ming Marine Transport Corp	2609 TT Equity	0.224283
Young Fast Optoelectronics Co Ltd	3622 TT Equity	0.267274
Yuanta Financial Holding Co Ltd	2885 TT Equity	1.01893
Yulon Motor Co Ltd	2201 TT Equity	0.337901

Market risks are controlled by the Manager through tracking error monitoring on a daily basis.

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The overall market exposures were as follows:

At August 31, 2010	Fair Value	% Net Assets
Equities at fair value through profit and loss	95,585,723.65	95.36%
Derivative assets at fair value through profit and loss	4,706,769.18	4.69%
Derivative liabilities held for trading	-	-
Securities designated at fair value through profit or loss	-	-
Securities sold short	-	-
At 26 February 2010	Fair Value	% Net Assets
Equities at fair value through profit and loss	93,189,567.58	94.18%
Derivative assets at fair value through profit and loss	5,809,652.84	5.87%
Derivative liabilities held for trading	-	-
Securities designated at fair value through profit or loss	-	-
Securities sold short	-	-

Tracking error risk

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

The tracking error objective calculated over a period of 52 weeks is less than 1%. If the tracking error exceeds 1% nonetheless, the objective is to remain below 5% of the volatility of the MSCI TAIWAN™ index.

The tracking error as at August 31, 2010 is 0.0927 %.

Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Credit risk, counterparty risk and settlement risk

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

Counterparty risk is the risk that the party trading with the Fund will be unable to meet its obligation to make payments or to settle a trade by the counterparty.

The counterparty risk is reduced by the fact that different divisions within Société Générale will be responsible for selecting, monitoring and providing custody over the Fund's assets. Société Générale's compliance procedures require effective segregation of duties and responsibilities between relevant divisions within Société Générale: each division is run as a separate operational unit, segregated by Chinese walls and run by different management teams.

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

To minimize those risks, Société Générale has been selected as the only counterparty of the Resetable Swap. As of August 31, 2010, Société Générale had a credit rating of A+ from Standard & Poor's (AA- in 2009).

In accordance with the Fund's policy, the Manager monitors the Fund's credit positions on a daily basis.

Foreign exchange risk

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

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

Liquidity Risk

The Fund is exposed to daily cash redemptions of redeemable shares. At closing date, the redeemable units amounted to USD 100,234,193.89 increasing by 1.30% in comparison with February 26, 2010 (USD 54,179,888.70). It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of; it invests only a limited proportion of its assets in investments not actively traded on a stock exchange.

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

The tables below summarises the Fund's non-derivative liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date :

At August 31, 2010 (in USD)	Less than 3 months	3 – 12 months	More than 12 months	No stated maturity	Total
Liabilities :					
Accrued expenses and other payables	58,298.95				58,298.95
Due to the bank	1,841,291.54				1,841,291.54
Redeemable shares	100,234,193.89				100,234,193.89
Total liabilities	102,133,784.38				102,133,784.38

At February 26, 2010 (in USD)	Less than 3 months	3 – 12 months	More than 12 months	No stated maturity	Total
Liabilities :					
Accrued expenses and other payable	2,528,297.14				2,528,297.14
Due to the bank	1,117,863.07				1,117,863.07
Redeemable shares	98,949,230.09				98,949,230.09
Total liabilities	102,595,390.30				102,595,390.30

As at August 31, 2010 and February 26, 2010, there were no financial derivative liabilities.

In accordance with the Fund's policy, the Manager monitors the Fund's liquidity positions on a daily basis.

LYXOR ETF MSCI TAIWAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fair value measurement risk

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value at August 31, 2010, as discussed in note 2 (d):

Assets	Level 1	Level 2	Level 3	Total Balance
<u>Financial assets designated at fair value through profit or loss</u>	95,585,723.65	4,706,769.18	-	100,292,492.83
Total financial assets at fair value	95,585,723.65	4,706,769.18	-	100,292,492.83
<u>Financial liabilities designated at fair value through profit or loss</u>	-	-	-	-
Total financial liabilities at fair value	-	-	-	-

Amendment to IFRS 7 is effective for accounting periods starting on or after January 1, 2009 with no comparatives for the first year of application.

Risks linked to the SGX-ST

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

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

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

Risks linked to the Index

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Concentration of Index in certain issuers: The Index and the investments of the Fund may be concentrated in securities of a single or several issuers. Changes in the financial condition of an issuer, changes in specific economic or political conditions that affect a particular issuer, and changes in general economic or political conditions can affect the value of an issuer's securities. Such issuer specific changes may have an impact on the securities held by the Fund.
- Compilation of Index: The securities which comprise the Index are determined and composed by the Index Provider without regard to the performance of the Fund. The Fund is not sponsored, endorsed, sold or promoted by the index provider, Morgan Stanley Capital International Inc ("MSCI"). The Index Provider makes no representation or warranty, express or implied, to investors in the Fund or other persons regarding the advisability of investing in securities generally or in the Fund particularly. The Index Provider has no obligation to take the needs of the Manager or investors in the Fund into consideration in determining, composing or calculating the Index. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately, and consequently there can be no guarantees that its actions will not prejudice the interests of the Fund, the Manager or investors.
- Composition of the Index may change: The composition of the Index will change as Index Securities mature or are redeemed or as new securities are included in the Index. When this happens the weighting or composition of the securities owned by the Fund would be changed as considered appropriate by the Manager in order to achieve the investment objective. Thus, an investment in Units will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Units.
- Licence to use the Index may be terminated: The Manager has been granted a licence by the Index Provider to use the Index in order to create the Fund based on the Index and to use certain trade marks and any copyright in the Index. The Fund may not be able to fulfill its objective and may be terminated if the licence agreement between the Manager and the Index Provider is terminated. The Fund may also be terminated if the Index ceases to be compiled or published and there is no replacement index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

Lack of discretion of the Manager to adapt to market changes

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

Units may trade at prices other than NAV

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Risk of swap agreements

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

Minimum subscription and redemption size

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

Reliance on Market Makers

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

Reliance on Participating Dealers

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

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

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

16 Approval of financial statements

The financial statements were approved by the Manager on

LYXOR ETF MSCI TAIWAN

SCHEDULE OF INVESTMENTS AS AT AUGUST 31, 2010

	<u>Numbers of Securities</u>	<u>Market Value in USD</u>	<u>% of Net Assets</u>
Financial assets at fair value through profit or loss			
Listed / quoted financial assets			
Equities			
Austria			
CA IMMOB. ANLAGEN	930.00	10,992.45	0.01%
Belgium			
KBC GROUPE	18,314.00	762,527.60	0.76%
Finland			
NOKIA OYJ	217,186.00	1,861,839.53	1.86%
STORA ENSO OYJ-R	601,746.00	4,653,741.54	4.64%
UPM KYMMENE OYJ	22,109.00	304,316.87	0.30%
France			
KLEPIERRE	11,208.00	343,228.64	0.34%
SANOFI-AVENTIS	9,345.00	537,673.05	0.54%
VEOLIA ENVIRONNEME	47,376.00	1,106,104.12	1.10%
TOTAL SA	44,716.00	2,095,388.47	2.09%
BNP PARIBAS	46,849.00	2,939,624.90	2.93%
VIVENDI	161,076.00	3,768,886.77	3.76%
LAGARDERE	106,325.00	3,841,177.10	3.83%
Germany			
BEIERSDORF	12,416.00	665,684.16	0.66%
DEUTSCHE TEL AG-NOM	241,752.00	3,192,376.38	3.18%
HOCHTIEF	83,466.00	5,538,494.89	5.53%
RWE AG	42,426.00	2,786,654.06	2.78%
SIEMENS AG-NOM	46,484.00	4,240,679.12	4.23%
METRO	28,274.00	1,443,682.21	1.44%
THYSSENKRUPP AG	23,398.00	642,185.37	0.64%
ALLIANZ SE-NOM	57,222.00	5,886,466.79	5.87%
MUENCHENER RU AG-NOM	35,551.00	4,554,501.18	4.54%
BASF Namen -Akt	17,752.00	939,364.89	0.94%
BAYER AG	148,920.00	9,119,022.53	9.10%
E.ON AG	24,406.00	688,772.58	0.69%
Italy			
ENEL SPA	131,047.00	626,243.73	0.62%
ENI SPA	44,878.00	893,780.67	0.89%
UNICREDIT SPA	129,764.00	305,438.43	0.30%

LYXOR ETF MSCI TAIWAN

SCHEDULE OF INVESTMENTS AS AT AUGUST 31, 2010

	<u>Numbers of Securities</u>	<u>Market Value in USD</u>	<u>% of Net Assets</u>
Netherland			
ING GROEP NV-CVA	145,045.00	1,293,732.81	1.29%
REED ELSEVIER NV	167,031.00	2,006,758.93	2.00%
Spain			
MAPFRE SA	225,459.00	649,602.31	0.65%
IBERDROLA SA	51,445.00	363,535.17	0.36%
SOL MELIA	29,324.00	232,560.67	0.23%
TELEFONICA SA	230,753.00	5,132,321.69	5.12%
Sweden			
ELECTROLUX B	18,892.00	365,265.92	0.36%
INVESTOR B	23,218.00	401,968.33	0.40%
Switzerland			
ROCHE HOLDING AG-BJ	11,281.00	1,535,276.04	1.53%
CS GROUP AG-NOM	200,938.00	8,836,073.81	8.82%
BALOISE-HOLD. NOM.	7,568.00	613,497.40	0.61%
UBS AG NOM	180,971.00	3,066,139.66	3.06%
NESTLE SA	81,608.00	4,233,292.39	4.22%
United Kingdom			
ROYAL DUTCH SHELL	116,544.00	3,106,850.49	3.10%
Total listed / quoted financial assets		95,585,723.65	95.36%
Unlisted / unquoted financial assets			
RESETABLE SWAP		4,706,769.18	4.70%
Total unlisted / unquoted financial assets		4,706,769.18	4.70%
Total Financial assets at fair value through profit or loss		100,922,492.83	100.06%
Total Financial assets at fair value through profit and loss at purchase date		100,782,166.13	

LYXOR ETF MSCI TAIWAN

SCHEDULE OF INVESTMENTS AS AT FEBRUARY 26, 2010

	<u>Numbers of Securities</u>	<u>Market Value in USD</u>	<u>% of Net Assets</u>
Financial assets at fair value through profit or loss			
Listed / quoted financial assets			
Equities			
Australia			
MAP GROUP	534,579.00	1,493,595.38	1.51%
WOOLWORTHS LTD	36,042.00	866,279.16	0.88%
Austria			
VIENNA INSURANCE	43,035.00	2078,449.9	2.10%
Denmark			
DANSKE BANK A/S	14,865.00	339,351.44	0.34%
Finland			
FORTUM OYJ	30,562.00	780,355.96	0.79%
France			
AIR LIQUIDE	30,597.00	3,662,394.72	3.70%
ALSTOM	106,050.00	6,801,418.81	6.87%
BNP PARIBAS	29,954.00	2,171,860.03	2.19%
CREDIT AGRICOLE SA	89,402.00	1,332,315.45	1.35%
DANONE	131,877.00	7,729,820.67	7.81%
FRANCE TELECOM SA	96,364.00	2,265,224.45	2.29%
L'OREAL	14,570.00	1,511,557.28	1.53%
SANOFI-AVENTIS	30,699.00	2,250,595.39	2.27%
TOTAL SA	28,944.00	1,618,704.95	1.64%
VIVENDI	15,749.00	397,614.22	0.40%
Germany			
ALLIANZ SE-NOM	56,741.00	6,566,440.74	6.64%
BASF SE	77,334.00	4,352,375.15	4.40%
BAYER AG	88,871.00	5,902,807.29	5.97%
DAIMLER	70,895.00	2,966,367.46	3.00%
E.ON AG	63,314.00	2,259,912.73	2.28%
LINDE AG	245	27,647.53	0.03%
MUENCHENER RU AG-NOM	49,076.00	7,611,597.05	7.69%
RWE AG	21,502.00	1,827,530.58	1.85%
RWE VZ	12,052.00	954,933.98	0.97%
SALZGITTER AG	8,895.00	786,729.01	0.80%
SAP AG	113,077.00	5,055,398.12	5.11%
SIEMENS AG-NOM	24,074.00	2,069,460.09	2.09%

LYXOR ETF MSCI TAIWAN

SCHEDULE OF INVESTMENTS AS AT FEBRUARY 26, 2010

	<u>Numbers of</u> <u>Securities</u>	<u>Market Value</u> <u>in USD</u>	<u>% of Net</u> <u>Assets</u>
Italy			
BANCA POPOLARE DI	402,482.00	2,375,580.58	2.40%
ENEL SPA	53,072.00	288,441.95	0.29%
ENI SPA	38,469.00	869,902.54	0.88%
INTESA SANPAOLO SPA	280,980.00	990,268.42	1.00%
PRYSMIAN SPA	60,027.00	1,036,273.41	1.05%
TELECOM ITALIA SPA	541,271.00	772,651.48	0.78%
UNICREDIT SPA	318,405.00	806,917.21	0.82%
Netherland			
ING GROEP NV-CVA	102,764.00	920,688.93	0.93%
KONINKLIJKE KPN NV	32,362.00	516,723.73	0.52%
ROY.PHILIPS ELECTR	32,656.00	956,824.36	0.97%
TNT NV	15,595.00	404,580.26	0.41%
Spain			
BANCO SANTANDER SA	159,496.00	2,078,475.36	2.10%
Switzerland			
CS GROUP AG-NOM	37,700.00	1,676,258.57	1.69%
NESTLE SA	58,092.00	2,894,311.84	2.93%
UBS AG NOM	66,710.00	920,931.4	0.93%
Total listed / quoted financial assets		93,189,567.58	94.18%
Unlisted / unquoted financial assets			
RESETABLE SWAP		5,809,652.84	5.87%
Total unlisted / unquoted financial assets		5,809,652.84	5.87%
Total Financial assets at fair value through profit or loss		98,999,220.42	100.05%
Total Financial assets at fair value through profit and loss at purchase date		103,804,142.52	

LYXOR ETF MSCI TAIWAN**DISTRIBUTION STATEMENT****FOR THE PERIOD FROM FEBRUARY 27, 2010 TO AUGUST 31, 2010**

	AUGUST 31, 2010	FEBRUARY 26, 2010
	USD	USD
Undistributed income/(loss) brought forward	(15,458,948.16)	(50,337,110.00)
Operating profit / (loss)	2,624,506.57	38,545,760.65
Interim distributions to holders of redeemable participating units	(1,071,694.63)	(3,667,140.90)
Final distributions to holders of redeemable participating units	0.00	0.00
Interest Expense	(98.64)	(457.91)
Increase / (decrease) in net assets attributable to holders of redeemable participating units from operations	1,552,713.30	34,878,161.84
Undistributed income/(loss) carried forward	(12,353,521.56)	(15,458,948.16)

LYXOR ETF MSCI TAIWAN

STATEMENT OF MOVEMENTS IN SCHEDULE OF INVESTMENTS
FOR THE PERIOD FROM FEBRUARY 26, 2010 TO AUGUST 31, 2010

	Percentage holdings of net assets		
	February 26, 2010	August 31, 2010	Variation over the period
Financial assets at fair value through profit or loss			
Listed / quoted financial assets			
Equities			
Australia			
MAP GROUP	1.51%	0.00%	-1.51%
WOOLWORTHS LTD	0.88%	0.00%	-0.88%
Austria			
VIENNA INSURANCE	2.10%	0.00%	-2.10%
CA IMMOB. ANLAGEN	0.00%	0.01%	0.01%
Belgium			0.00%
KBC GROUPE	0.00%	0.76%	0.76%
Denmark			
DANSKE BANK A/S	0.34%	0.00%	-0.34%
Finland			
FORTUM OYJ	0.79%	0.00%	-0.79%
NOKIA OYJ	0.00%	1.86%	1.86%
STORA ENSO OYJ-R	0.00%	4.64%	4.64%
UPM KYMMENE OYJ	0.00%	0.30%	0.30%
France			
AIR LIQUIDE	3.70%	0.00%	-3.70%
ALSTOM	6.87%	0.00%	-6.87%
BNP PARIBAS	2.19%	2.93%	0.74%
CREDIT AGRICOLE SA	1.35%	0.00%	-1.35%
DANONE	7.81%	0.00%	-7.81%
FRANCE TELECOM SA	2.29%	0.00%	-2.29%
L'OREAL	1.53%	0.00%	-1.53%
SANOFI-AVENTIS	2.27%	0.54%	-1.73%
TOTAL SA	1.64%	2.09%	0.45%
VIVENDI	0.40%	3.76%	3.36%
KLEPIERRE	0.00%	0.34%	0.34%
VEOLIA ENVIRONNEME	0.00%	1.10%	1.10%
LAGARDERE	0.00%	3.83%	3.83%
Germany			
ALLIANZ SE-NOM	6.64%	5.87%	-0.77%
BASF SE	4.40%	0.94%	-3.46%
BAYER AG	5.97%	9.10%	3.13%
DAIMLER	3.00%	0.00%	-3.00%
E.ON AG	2.28%	0.69%	-1.59%
LINDE AG	0.03%	0.00%	-0.03%
MUENCHENER RU AG-NOM	7.69%	4.54%	-3.15%
RWE AG	1.85%	2.78%	0.93%
RWE VZ	0.97%	0.00%	-0.97%
SALZGITTER AG	0.80%	0.00%	-0.80%
SAP AG	5.11%	0.00%	-5.11%
SIEMENS AG-NOM	2.09%	4.23%	2.14%
BEIERSDORF	0.00%	0.66%	0.66%

LYXOR ETF MSCI TAIWAN

STATEMENT OF MOVEMENTS IN SCHEDULE OF INVESTMENTS
FOR THE PERIOD FROM FEBRUARY 26, 2010 TO AUGUST 31, 2010

	Percentage holdings of net assets		
	February 26, 2009	August 31, 2010	Variation over the period
Financial assets at fair value through profit or loss			
Listed / quoted financial assets			
Equities			
Germany			
DEUTSCHE TEL AG-NOM	0.00%	3.18%	3.18%
HOCHTIEF	0.00%	5.53%	5.53%
METRO	0.00%	1.44%	1.44%
THYSSENKRUPP AG	0.00%	0.64%	0.64%
Italy			
BANCA POPOLARE DI	2.40%	0.00%	-2.40%
ENEL SPA	0.29%	0.62%	0.33%
ENI SPA	0.88%	0.89%	0.01%
INTESA SANPAOLO SPA	1.00%	0.00%	-1.00%
PRYSMIAN SPA	1.05%	0.00%	-1.05%
TELECOM ITALIA SPA	0.78%	0.00%	-0.78%
UNICREDIT SPA	0.82%	0.30%	-0.52%
Netherland			
ING GROEP NV-CVA	0.93%	1.29%	0.36%
KONINKLIJKE KPN NV	0.52%	0.00%	-0.52%
ROY.PHILIPS ELECTR	0.97%	0.00%	-0.97%
TNT NV	0.41%	0.00%	-0.41%
REED ELSEVIER NV	0.00%	2.00%	2.00%
Spain			
BANCO SANTANDER SA	2.10%	0.00%	-2.10%
MAPFRE SA	0.00%	0.65%	0.65%
IBERDROLA SA	0.00%	0.36%	0.36%
SOL MELIA	0.00%	0.23%	0.23%
TELEFONICA SA	0.00%	5.12%	5.12%
Sweden			
ELECTROLUX B	0.00%	0.36%	0.36%
INVESTOR B	0.00%	0.40%	0.40%
Switzerland			
CS GROUP AG-NOM	1.69%	8.82%	7.13%
NESTLE SA	2.93%	4.22%	1.29%
UBS AG NOM	0.93%	3.06%	2.13%
ROCHE HOLDING AG-BJ	0.00%	1.53%	1.53%
BALOISE-HOLD. NOM.	0.00%	0.61%	0.61%
United Kingdom			
ROYAL DUTCH SHELL	0.00%	3.10%	3.10%
Total listed / quoted financial assets	94.18%	95.36%	1.18%
Unlisted / unquoted financial assets			
RESETABLE SWAP	5.87%	4.70%	(1.17%)
Total unlisted / unquoted financial assets	5.87%	4.70%	(1.17%)
Total Financial assets at fair value through profit or loss	100.05%	100.06%	0.01%

LYXOR ETF MSCI TAIWAN**PERFORMANCE TABLE
AS AT AUGUST 31, 2010****Net asset values for last 3 years**

	Total net asset value USD	Net asset value per unit USD
As at August 31, 2010 (share A)	56,057,997.53	0.87
As at August 31, 2010 (share B)	35,911,210.62	8.73
As at August 31, 2010 (share E)	8,264,985.74	8.70
As at February 26, 2010 (share A)	54,786,946.08	0.84
As at February 26, 2010 (share B)	29,294,595.35	8.53
As at February 26, 2010 (share E)	14,867,688.66	8.49
As at February 27, 2009 (share A)	42,282,254.95	0.52
As at February 27, 2009 (share B)	9,262,661.05	5.29
As at February 27, 2009 (share E)	2,634,972.70	5.26
As at February 29, 2008 (share A)	30,743,137.38	1.09
As at February 29, 2008 (share B)	3,282,444.11	10.94

Performance record for last 10 years

	Highest issue price per unit USD	Lowest redemption price per unit USD
From February 13, 2007 to August 31, 2010 (share A)	1.21	0.49
From February 13, 2007 to August 31, 2010 (share B)	12.11	4.93
From August 5, 2008 to August 31, 2010 (share E)	9.67	4.91

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 February 26 2010 to August 31, 2010	EUR			
Société Générale	888 632 121.02	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 MSCI TAIWAN is 3.27% up for shares A (USD) from 26/02/2010 to 31/08/2010, is 9.91% up for shares B (EUR) from 26/02/2010 to 31/08/2010 and is 2.47% up for shares E (USD) from 26/02/2010 to 31/08/2010 on the relevant (fiscal) period.

On the period from 26/02/2010 to 31/08/2010, the MSCI TAIWAN™ INDEX returned a performance equal to +0.93%.

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