

EXCHANGE TRADED FUNDS BY

LYXOR

SOCIETE GENERALE GROUP

**LYXOR ETF MSCI EMERGING MARKETS**

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

**Fiscal year closing on 30 July 2010**

# Contents

<i>Information on the investments and management</i> .....	3
<i>Management policy</i> .....	10
<i>Auditor's report</i> .....	12
<i>Annual accounts</i> .....	14
<i>Balance sheet</i> .....	15
<i>Assets</i> .....	15
<i>Liabilities</i> .....	16
<i>Off-balance sheet commitments</i> .....	17
<i>Profit and loss account</i> .....	18
<i>Appendix</i> .....	19
<i>Accounting rules and methods</i> .....	19
<i>Evolution of the net assets</i> .....	24
<i>Information supplements</i> .....	25
<i>UCITS inventory</i> .....	34

<b>Management company</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92800 Puteaux.
<b>Depository and Custodian</b>	SOCIÉTÉ GÉNÉRALE Tour Granite - 75886 Paris Cedex 18.
<b>Underwriters</b>	SOCIÉTÉ GÉNÉRALE Tour Granite - 75886 Paris Cedex 18.
<b>Statutory auditors</b>	PRICEWATERHOUSE COOPERS AUDIT 63, rue de Villiers - 92208 Neuilly-sur-Seine Cedex.

### **INFORMATION ON THE INVESTMENTS AND MANAGEMENT**

**Classification:** International equities.

The MF is index-based.

**Allocation of the earnings:** The management company reserves the right to capitalise and/or distribute all or part of the revenues each year. Posting according to the collected coupons method.

**Management objective:** The MF's management objective is to obtain an exposure to the equity markets in emerging markets (South Africa, Argentina, Brazil, Chile, China, Colombia, South Korea, Egypt, Hungary, India, Indonesia, Israel, Jordan, Malaysia, Mexico, Morocco, Pakistan, Peru, the Philippines, Poland, the Czech Republic, Russia, Taiwan, Thailand, Turkey, and Venezuela) while reproducing the progress of the MSCI EMERGING MARKETS™ index (cf. "Benchmark Indicator" section), while insofar as possible minimizing the tracking error between the MF's performances and those of the MSCI EMERGING MARKETS™ index.

The tracking error objective, calculated over a period of 52 weeks, is less than 2%.

Should the tracking error nevertheless be higher than 2%, the objective is still to remain below 10% of the volatility of the MSCI EMERGING MARKETS™ index.

**Benchmark indicator:** The benchmark indicator is the MSCI EMERGING MARKETS™ Price Return index, listed in US dollars (USD), increased by the dividends possibly collected by the compartment pursuant to the holding of the shares comprising the index.

The MSCI EMERGING MARKETS™ is an equities index calculated and published by the supplier of international indices, MSCI.

The MSCI EMERGING MARKETS™ index therefore consists only of securities from emerging markets and retains the fundamental characteristics of the MSCI indices, i.e.: adjustment of the stock market capitalization of the securities in the index on the basis of the float, and sector classification according to the GICS (Global Industry Classification Standard) classification.

The objective of the MSCI EMERGING MARKETS™ index is to represent 85% of the capitalization that is adjusted on the basis of the float, for each group of industries in the emerging markets.

By targeting 85% of the representativeness of each industry group, the MSCI EMERGING MARKETS™ index measures 85% of the market capitalization of the emerging markets, while also reflecting the market's economic diversity.

The MSCI methodology and its calculation method entail the index being made up of a variable number of companies.

The complete construction methodology for the MSCI Standard indices is available on the MSCI web site [www.mscibarra.com](http://www.mscibarra.com).

The monitored performance is that of the index closing prices.

## **Investment strategy:**

### **1. Strategy employed**

The MF will comply with the investment rules dictated by the European directive n° 85/611/EEC dated 20 December 1985, amended by directives n° 2001/107/EC and 2001/108/EC.

In order to provide the greatest possible correlation with the performance of the MSCI EMERGING MARKETS™ index, the MF will purchase a basket of international shares and, up to a limit of 10% of its assets, a forward exchange contract negotiated over-the-counter involving shares and indices so as to transform the exposure to the shares that are the MF's assets into an exposure to the MSCI EMERGING MARKETS™ index.

The shares held as assets by the MF will notably be shares that make up the MSCI EMERGING MARKETS™ index, as well as other international shares, from all economic sectors, listed on all markets, including the small capitalisation markets.

The equities included in the MF's assets will be chosen so as to limit the costs related to the replication of the index.

The MF will therefore be at least 75% invested on one or more equity markets in one or more countries of the Euro zone and exposed to the MSCI EMERGING MARKETS™.

As part of the management of the basket of bonds, the MF benefits from the exceptional ratios of the index-based UCITS: it can use up to 20% of its assets to acquire bonds from a single issuing entity. This 20% limit can be increased to 35% for a single issuing entity.

In the present case, the manager intends to primarily use the following assets:

## **2. Balance sheet assets (excluding integrated derivatives)**

The MF manages, in compliance with the ratios contained in the regulation, international shares (from all economic sectors, listed on all markets), for up to 100% of the net assets.

As part of a future optimisation of the MF's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective.

The MF can invest in undertakings for collective investment in transferable securities that comply with Directive 85/611/EC as amended by Directives 2001/107/EC and 2001/108/EC (UCITS Directive) and in other undertakings for collective investment within the meaning of article 19(1)(e) of the UCITS Directive up to a limit of 10% of the net assets.

When the company acquires units of another fund directly or indirectly managed by itself or by a company with which it is related as part of common management or control or by a direct or indirect participation with more than 10% of the capital or voting rights, no commission can be deducted from the MF's assets relative to such investments. The company can also not debit the fund for the possible issue or redemption commissions of the related underlying funds.

## **3. Off-balance sheet assets (derivative instruments)**

Up to the limit of 10% of its net assets, the MF will have recourse to equity-linked swaps negotiated over-the-counter, exchanging the value of the securities held as assets by the MF (or of any other financial instrument held as assets by the MF, where appropriate) against the value of the MSCI EMERGING MARKETS<sup>TM</sup>.

As part of a future optimisation of the MF management, the manager reserves the right to use other instruments within the limits of the regulations, such as to reach the management objective, for example including forward financial instruments other than equity-linked swaps.

This contract can be negotiated with the Société Générale, without open competition involving several counterparties. In order to limit the risk that such instruments might not be carried out under the best conditions, the Société Générale has accepted to include the MF in the "professional customer" category, which is more protective than the "eligible counterparty" category. When there is no open competition between several counterparties, the manager also requires the Société Générale to contractually commit to undertaking all reasonable measures in order to obtain, when placing orders, the best possible result for the MF, in compliance with article L. 533-18 of the [French] Monetary and Financial Code.

## **4. Securities with integrated derivatives**

None.

As part of a future optimisation of the MF management, the manager reserves the right to use other instruments within the limits of the regulations in order to reach the management objective, for example including debt securities with integrated derivatives.

### **5. Deposits**

Up to a maximum of 20% of its net assets, the MF can have recourse to deposits with lending institutions belonging to the same group as the depositary in order to optimise its cash management.

### **6. Cash borrowing**

Up to a maximum of 10% of its net assets, the MF can turn to borrowing, notably in order to optimise its cash management.

### **7. Temporary stock acquisition and sale operations**

None.

As part of a future optimisation of the MF's management, the manager reserves the right to use other instruments within the limits of the regulations in order to achieve the management objective, including for example:

- reverse repurchase agreements in exchange for cash, governed by articles L.214-16 et seq. of the [French] Monetary and Financial Code, up to 100% of the net assets;
- repurchase agreements in exchange for cash, governed by articles L.214-16 et seq. of the [French] Monetary and Financial Code, up to 100% of the net assets;
- lending and borrowing of securities, up to 100% of the net assets.

Any temporary acquisitions or disposals of securities that are carried out, and any lending and borrowing of securities, will be all performed according to market conditions.

**Risk profile:** Your money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the MF, the bearer is primarily exposed to the following risks:

#### **1. Equity risk:**

The MF is 100% exposed to the MSCI EMERGING MARKETS<sup>TM</sup> equities index. The MF is therefore 100% exposed to the market risks related to the fluctuations of the equities comprising the MSCI EMERGING MARKETS<sup>TM</sup>. The bearer is notably exposed to downward movements of the equities comprising the MSCI EMERGING MARKETS<sup>TM</sup> index, and therefore a risk of the decrease of the MSCI EMERGING MARKETS<sup>TM</sup> index. The MF therefore has a high equity risk.

**2. Risk that the MF's management objective may only be partially reached:**

Nothing guarantees that the MF's management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the MSCI EMERGING MARKETS™ index: any re-weighting of the MSCI EMERGING MARKETS™ index can result in miscellaneous transaction or friction costs. Similarly, the MF will not be able to perfectly reproduce the performance of the MSCI EMERGING MARKETS™ index notably because of the temporary unavailability of certain securities comprising the index or due to exceptional circumstances that might result in distortions in the weighting of the index, and notably in case of temporary suspension or interruption of the listing of the securities comprising the MSCI EMERGING MARKETS™ index.

**3. Risk of loss of the invested capital:**

The initially invested capital is not guaranteed. Though the MF's management objective is to replicate the performance of the MSCI EMERGING MARKETS™ index, there is a risk that the capital could be lost since the MSCI EMERGING MARKETS™ index may perform negatively.

**4. Counterparty risks**

The MF will be exposed to the counterparty risk resulting from its use of forward financial instruments obtained through a lending institution. The MF is therefore exposed to the risk of the lending institution being unable to meet its commitments in respect of these instruments. The counterparty risk arising from the use of forward financial instruments is limited at all times to 10% of the MF's net assets per counterparty.

**5. Risk related to the countries of the MF's investment or exposure (investment in emerging countries):** the MF's investments in the emerging markets or its exposure to these markets could result in a greater risk of potential loss than would be the case with investments or exposure within developed markets, notably because of greater market volatility, the lower trading volume of the assets in question, possible economic and/or political instability, risks of the market's closing or of government restrictions on foreign investment, interruption or limitation of the convertibility or transferability of its currency by one of the emerging countries (namely South Africa, Brazil, Argentina, Hungary, India, Indonesia, Israel, Jordan, Mali, Mexico, Morocco, Pakistan, Peru, the Philippines, Egypt, South Korea, Turkey, Poland, the Czech Republic, Russia, Taiwan, Thailand and Venezuela) or the adoption of a moratorium on payments owed relative to exchange operations, and overall due to operating and surveillance conditions within the markets that could differ from the standards that prevail on the major international marketplaces.

**6. Exchange risk**

Exchange risk linked to the fluctuation of the reference currencies of the equities included in the composition of the index underlying the MF, i.e. the South African rand (ZAR), the Argentine peso (ARS), the Brazilian real (BRL), the Chilean peso (CLP), the Chinese yuan (CNY), the Colombian peso (COP), the South Korean won (KRW), the Egyptian pound (EGP), the Hungarian forint (HUF), the Indian rupee (INR), the Indonesian rupee (IDR), the new Israeli shekel (ILS), the Jordanian dinar (JOD), the Malaysian ringgit (MYR), the Mexican peso (MXN), the Moroccan dirham (MAD), the Pakistani rupee (PKR), the new Peruvian sol (PEN), the Philippines peso (PHP), the Polish zloty

(PLN), the Czech crown (CZK), the Russian ruble (RUS), the Taiwanese dollar (TWD), the Thai baht (THB), the Turkish pound (TRL) and the Venezuelan bolivar (VEB) against the US dollar (USD). As such, the unit's value could change from one day to the next due to fluctuations of the exchange rate between the United States dollar and the currencies of the equities comprising the index that is replicated by the MF, even though the MSCI EMERGING MARKETS™ index remains unchanged over the same period. The bearer is therefore notably exposed to the risk related to the downward evolution of the exchange rates, against the US dollar, of the currencies of the equities comprising the MF's underlying index.

### **A units (solely)**

6. EUR/USD exchange risk since the unit's value is calculated in euros (EUR) and the index replicated by the MF is an index that is expressed in US dollars (USD). As such, the unit's value could change from one day to the next due to fluctuations of the EUR/USD exchange rate, even though the MSCI EMERGING MARKETS™ remains unchanged over the same period. The bearer is therefore notably exposed to the risk that the Euro might climb against the US dollar.

**Subscribers concerned and typical investor profile:** The MF is open to any subscriber.

An investor subscribing to this MF wishes to obtain an exposure to the equities market of emerging markets.

The amount that it is reasonable to invest in this MF depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this MF's risks.

Investors are therefore recommended to study their individual situations with their usual estate management advisers.

The minimum recommended investment duration is greater than 5 years.

	Units A	Units B
Issuing currency	Euro	Us Dollar

**Tax system:** According to the bearer's tax system, possible capital gains and earnings linked to the holding of the MF's units may be subject to taxation. We recommend that all bearers seek information in this regard from the MF marketer.

### **A units (solely)**

The MF's A units are eligible for a PEA (stock savings plan).

The MF can serve as the support for a life insurance contract denominated in account units.



*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of Lyxor International Asset Management. The UCITS' complete prospectus and the latest annual and periodic documents are sent within one week of the bearer's written request, submitted to Lyxor International Asset Management, 17, cours Valmy - 92987 Paris La Défense Cedex - France*
- *Approval date by the AMF (Financial Markets Authority): 30 January 2007.*
- *MF creation date: Units A: 18 April 2007.  
Units B: 24 April 2007.*

# Management policy

Data as of 30 July 2010

EXCHANGE TRADED FUNDS BY

LYXOR

SOCIÉTÉ GÉNÉRALE GROUP

## LYXOR ETF MSCI EMERGING MARKETS MANAGEMENT REPORT from 31 July 2009 to 30 July 2010

AMF classification: International equities

Value code: Units A (EUR): FR0010429068

Value code: Units B (EUR): FR0010435297

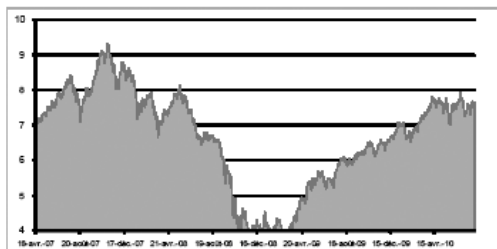
Minimum investment duration	Greater than 5 years
Original net asset value Unit A	: 7.21
Original net asset value Unit B	: 9.81
Net asset value on Unit A	31 July 2009: 6.02
Net asset value on Unit B	31 July 2009: 8.55
Net asset value on Unit A	30 July 2010: 7.6672
Net asset value on Unit B	30 July 2010: 10.0126
Performance since the start of the year Unit A	: 10.00%
Performance since the start of the year Unit B	: -0.67%
Performance since the launch Unit A	: 6.34%
Performance since the launch Unit B	: 2.07%
Performance since Unit A	30 July 2009: 27.36%
Performance since Unit B	30 July 2009: 17.11%

### Management objective

The MF's management objective is to obtain an exposure to the equity markets in emerging markets (South Africa, Argentina, Brazil, Chile, China, Colombia, South Korea, Egypt, Hungary, India, Indonesia, Israel, Jordan, Malaysia, Mexico, Morocco, Pakistan, Peru, the Philippines, Poland, the Czech Republic, Russia, Taiwan, Thailand, Turkey, and Venezuela) while reproducing the progress of the MSCI EMERGING MARKETS™ index, while insofar as possible minimizing the tracking error between the MF's performances and those of the MSCI EMERGING MARKETS™ index.

The tracking error objective, calculated over a period of 52 weeks, is less than 2%. Should the tracking error nevertheless be higher than 2%, the objective is still to remain below 10% of the volatility of the MSCI EMERGING MARKETS™ index.

### Fluctuation of the net asset value since the start



### Particular events

None

### Explanation of the Net Asset Value

The net asset value of the A units of the LYXOR ETF MSCI EMERGING MARKETS MF is up by 27.36% over the fiscal year and stands at EUR 7.6672 on 30 July 2010, meaning a fund performance of +6.34% since its launch date.

The net asset value of the B units is up by 17.11% over the fiscal year and stands at USD 10.0126 on 30 July 2010, meaning a fund performance of +2.07% since its launch date.

The fund replicates the performance of the MSCI EMERGING MARKETS™ index, listed in United States dollars (USD). Price Return, increased by the possible dividends collected by the MF as a result of holding equities comprising the index that has climbed by +17.46% over the fiscal year. As the A units are not valued in the index currency, the evolution of their net asset value is subject to an exchange risk. Over the fiscal year, the USD has climbed by +7.47% against the EUR.

Following the summary index-tracking management method, the replication of the index is ensured via an equity linked swap. This forward swap contract negotiated over-the-counter and involving shares and indices serves to transform the exposure to the basket of international shares that comprise the MF's assets into an exposure to the MSCI EMERGING MARKETS™ index.

On 30 July 2010, the tracking error reached a level of 0.121823015%

In compliance with the UCITS prospectus, as proposed by the investment advisor, the manager traded future financial instruments directly with the Société Générale, without carrying out an open competition between several counterparties.

### Evolution of the basket since the start

	Performance	Closing price on	Initial price on
Unit A		30 July 2010	17 April 2007
higher			
MSCI EMERGING MARKETS	1.33%	991.41	978.44

	Performance	Closing price on	Initial price on
Unit B		30 July 2010	23 April 2007
higher			
MSCI EMERGING MARKETS	1.08%	991.41	980.86

## Regulatory information

### Transfer commission (not audited by the auditor)

None.

**Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.**

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the UCITS that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

In compliance with article 314-82 of the AMF General Regulations, the report relative to the intermediation expenses is available on our Internet site at the address: [www.lyxor.fr](http://www.lyxor.fr)

## Auditor's report

PriceWaterhouseCoopers

**AUDITOR'S REPORT  
ON THE ANNUAL ACCOUNTS  
Fiscal year closing on 30 July 2010**

**PriceWaterhouseCoopers Audit**  
63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
Tel.: 01 56 57 58 59  
Fax: 01 56 57 58 60

### **LYXOR ETF MSCI EMERGING MARKETS**

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 30 July 2010 concerning:

- the verification of the annual accounts of the mutual fund LYXOR ETF MSCI EMERGING MARKETS, 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, 12 November 2010

The auditor

**PricewaterhouseCoopers Audit**

*(signature)*

Marie-Christine Jetil

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

	30.07.2010	31.07.2009
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>890 451 419,25</b>	<b>334 134 164,59</b>
• <b>SHARES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	826 957 909,92	316 854 655,77
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	63 493 509,33	17 279 508,82
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Liabilities</b>	<b>20 863 578,65</b>	<b>19 358 727,78</b>
Future foreign currency operations	-	-
Other	20 863 578,65	19 358 727,78
<b>Financial accounts</b>	<b>38 314 541,78</b>	<b>3 935 311,25</b>
Liquidity	38 314 541,78	3 935 311,25
<b>Total assets</b>	<b>949 629 539,68</b>	<b>357 428 203,62</b>

**BALANCE SHEET liabilities**

	30.07.2010	31.07.2009
Currency	EUR	EUR
<b>Shareholders equity</b>		
• Capital	889 263 971,95	335 744 569,00
• Carried forward	-	-
• Adjustment of carried forward	-	-
• Result	712 257,30	-1 778 829,51
<b>Total shareholders equity</b> <i>(amount representing the net assets)</i>	<b>889 976 229,25</b>	<b>333 965 739,49</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>59 653 310,43</b>	<b>23 462 464,13</b>
Future foreign exchange operations	-	-
Other	59 653 310,43	23 462 464,13
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>949 629 539,68</b>	<b>357 428 203,62</b>



**Off-balance sheet commitments**

	30.07.2010	31.07.2009
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	836 946 607,33	399 825 211,25
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

**Profit and loss account**

	30.07.2010	31.07.2009
Currency	EUR	EUR
<b>Earnings and financial operations</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings and shares and similar securities	4 272 050,00	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt instruments	5 166 000,61	-
• Earnings on temporary acquisitions and sales of securities	-	-
• Earnings on future financial instruments	-	-
• Other financial earnings	-	-
<b>Total (I)</b>	<b>9 438 050,61</b>	<b>-</b>
<b>Charges on financial operations</b>		
• Charges on temporary acquisitions and sales of securities	-	-
• Charges on future financial instruments	-	-
• Charges on financial debts	-354,59	-
• Other financial charges	-	-
<b>Total (II)</b>	<b>-354,59</b>	<b>-</b>
<b>Earnings on financial operations (I - II)</b>	<b>9 437 696,02</b>	<b>-</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-4 578 201,48	-1 013 972,91
<b>Net earnings of the fiscal year (L.214-9) (I - II + III - IV)</b>	<b>4 859 494,54</b>	<b>-1 013 972,91</b>
Adjustment of the fiscal year's earnings (V)	-102 270,85	-764 856,60
Advances paid for the fiscal year (VI)	-4 044 966,39	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>712 257,30</b>	<b>-1 778 829,51</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.

# appendix

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

## **Posting method for the negotiation fees**

The chosen method is that of included fees.

## **Posting method of revenues from fixed revenue securities**

The chosen method is that of the collected coupon.

## Valuation methods for off-balance sheet commitments

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

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

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

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

## Operation and management fees

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

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

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

Fees invoiced to the MF	Basis	Schedule rate
Operation and management fees, tax incl. <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:

- Update of the prospectus on 30 April 2010.

- 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**

	30.07.2010	31.07.2009
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>333 965 739,49</b>	<b>115 127 537,60</b>
Subscriptions (including subscription commission acquired by the UCITS)	729 538 144,26	197 334 521,33
Redemptions (less the redemption commission acquired by the UCITS)	-328 534 426,33	-10 207 233,94
Capital gains generated on deposits and financial instruments	199 696 439,78	42 744 916,61
Capital losses generated on deposits and financial instruments	-179 400 884,19	-69 434 852,51
Capital gains generated on future financial instruments	824 898 758,37	237 396 401,25
Capital losses generated on future financial instruments	-717 152 691,78	-209 455 430,85
Negotiation fees	-	-
Exchange differentials	15 533 294,58	-451 076,38
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	10 409 502,24	28 652 185,69
- <i>Estimate difference fiscal year N-1</i>	29 909 290,53	19 499 788,29
	19 499 788,29	-9 152 397,40
Changes to the estimate difference of future financial instruments:		
- <i>Estimate difference fiscal year N</i>	207 824,68	5 517 952,65
- <i>Estimate difference fiscal year N-1</i>	3 888 636,28	3 680 811,60
	3 680 811,60	-1 837 141,05
Distribution from the previous fiscal year	-	-2 245 209,05
Net earnings of the fiscal year before adjustment account	4 859 494,54	-1 013 972,91
Advance(s) paid during the fiscal year	-4 044 966,39	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>889 976 229,25</b>	<b>333 965 739,49</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	-	-
Negotiable medium-term notes ("BMTN")	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

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

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	-	-	-	836 946 607,33
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	-	-	-	38 314 541,78
<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	38 314 541,78	-	-	-	-
<b>Liabilities</b>					
Temporary operations on securities	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	836 946 607,30	-

### 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	56 838 625,15	15 448 666,29	3 788 492,99	-
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>20 863 578,65</b>
Future currency exchange operations	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	20 863 578,65
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>59 653 310,43</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlements purchases	59 178 120,46
Provisioned costs	475 189,97
-	-
-	-
-	-
Other operations	-

### 3.6 Shareholders equity

	Subscriptions		Redemptions	
Number of units issued/redeemed during the fiscal year:	Number of units	Amount	Number of units	Amount
UNIT A / FR0010429068	103 220 000	707 970 320,00	43 350 000	313 136 840,00
UNIT B / FR0010435297	2 951 000	21 567 824,26	2 200 000	15 397 586,33
Subscription / redemption commission by share category:		Amount		Amount
UNIT A / FR0010429068		-		-
UNIT B / FR0010435297		-		-
Remittances by share category:		Amount		Amount
UNIT A / FR0010429068		-		-
UNIT B / FR0010435297		-		-
Commissions acquired by the UCITS by share category:		Amount		Amount
UNIT A / FR0010429068		-		-
UNIT B / FR0010435297		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets:	%
Share category:	
UNIT A / FR0010429068	0,65
UNIT B / FR0010435297	0,65
Performance commissions (variable fees): amount of costs for the year	Amount
Share category:	
UNIT A / FR0010429068	-
UNIT B / FR0010435297	-
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 **63 493 509,33**

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

#### Advances paid during the fiscal year

Date	Share category	Overall amount	Unit amount	Total tax credits	Unit tax credits
14/09/09	Unit A	3 720 928,75	0,07	-	-
14/09/09	Unit B	324 037,64	0,07	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		<b>4 044 966,39</b>	<b>0,14</b>	-	-

**LYXOR ETF MSCI EMERGING MARKETS**

	<b>30.07.2010</b>	<b>31.07.2009</b>
<b>Allocation of the profit/loss</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Adjustment of carried forward	-	-
Earnings	712 257,30	-1 778 829,51
<b>Total</b>	<b>712 257,30</b>	<b>-1 778 829,51</b>

UNIT A / FR0010429068	<b>30.07.2010</b>	<b>31.07.2009</b>
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	669 752,53	-1 626 785,34
<b>Total</b>	<b>669 752,53</b>	<b>-1 626 785,34</b>
<b>Information relative to the units and resulting in a distribution right</b>		
Number of circulating units	110 576 125,00	50 706 125,00
Distribution per unit	0,07	-
<b>Tax credits</b>	-	-

UNIT B / FR0010435297	<b>30.07.2010</b>	<b>31.07.2009</b>
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	42 504,77	-152 044,17

<b>Total</b>	<b>42 504,77</b>	<b>-152 044,17</b>
<b>Information relative to the units and resulting in a distribution right</b>		
Number of circulating units	5 486 000,00	4 735 000,00
Distribution per unit	***0,07	-
<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: 18 April 2007; Units B: 24 April 2007.

UCITS currency

EUR	<b>30.07.2010</b>	31.07.2009	31.07.2008	Date n-3	Date n-4
<b>Net assets</b>	<b>889 976 229,25</b>	333 965 739,49	115 127 537,60	-	-

UNIT A / FR0010429068		Currency of the UNIT and of the NAV: EUR			
	<b>30.07.2010</b>	31.07.2009	31.07.2008	Date n-3	Date n-4
<b>Number of circulating units</b>	<b>110 576 125,00</b>	50 706 125,00	15 028 586,00	-	-
<b>Net asset value</b>	<b>7,66</b>	6,02	6,79	-	-
<b>Unit distribution (including advances)*</b>	<b>0,07</b>	-	0,13	-	-
<b>Unit tax credit transferred to unit holders (natural persons)<sup>(1)</sup></b>	<b>-</b>	-	-	-	-
<b>Unit capitalization *</b>	<b>0,006</b>	-0,03	0,27	-	-

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

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



**LYXOR ETF MSCI EMERGING MARKETS**

UNIT B / FR0010435297	Currency of the UNIT and of the NAV: USD				
	30.07.2010	31.07.2009	31.07.2008	Date n-3	Date n-4
<b>Number of circulating units</b>	<b>5 486 000,00</b>	4 735 000,00	1 910 000,00	-	-
<b>Net asset value</b>	<b>10,01</b>	8,55	10,57	-	-
<b>Unit distribution (including advances)*</b>	<b>***0,07</b>	-	**0,13	-	-
<b>Unit tax credit transferred to unit holders (natural persons)<sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalization *</b>	<b>0,007</b>	-0,03	0,27	-	-

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

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

\*\* The amount of the unit dividend stems from the conversion of the dividend paid in USD of USD 0.18, and converted into euros with the WM Reuters EUR/USD fixing on 5 September 2008 at 1.42645.

\*\*\* The amount of the unit dividend stems from the conversion of the dividend paid in USD of USD 0.1, and converted into euros with the WM Reuters EUR/USD fixing on 11 September 2009 at 1.46125.

#### 4. UCITS inventory

# appendix

Security code	Name	Quantity	Stock market value	Listing currency	% Assets
<b>LYXOR ETF MSCI EMERGING MARKETS</b>					
Investment Securities					
Equity					
JPS461800005	DAIKIN INDUSTRIES LTD	107 540.00	3 052 822.98	JPY	0.34
LU001478374	LUOTTICA GROUP	110 703.00	2 209 831.88	EUR	0.25
SE000412371	MODERN TIMES GRP B-SHS	78 841.00	3 788 482.89	SEK	0.43
JPS668000000	PANA-SOHC CORP	45 717.00	462 431.47	JPY	0.05
JPS573000001	TOKYO GAS CO LTD	2 019 028.00	7 028 108.38	JPY	0.79
JPS119600009	AJINOMOTO CO INC	483 208.00	3 505 270.80	JPY	0.39
JPS266000002	KYOCERA CORP	4 062.00	278 711.60	JPY	0.03
JPS425000009	SONY CORP	53 568.00	1 263 442.04	JPY	0.14
DE0007164000	SAP AG	443 334.00	15 534 423.96	EUR	1.75
JPS756500007	NIITENDO CO LTD	3 895.00	827 726.69	JPY	0.09
DE0006003404	ADIDAS AG	37 397.00	1 652 972.52	EUR	0.17
CH0012000267	NOVARTIS AG-HCM	26 421.00	979 847.30	CHF	0.11
CH0012000246	ROCHE HOLDING AG-BON LOUIS-SANCE	107 133.00	10 650 026.61	CHF	1.20
DE0006400008	MUECHENER RUECKVERSICHERUNGS AG-HCM	131 541.00	13 962 908.30	EUR	1.57
FR0000003577	WARTISLA OYJ	81 238.00	3 279 456.95	EUR	0.37
JPS422900000	SEVEN & I HOLDINGS CO LTD	17 867.00	329 077.23	JPY	0.04
JPS269600007	KURARAY	248 298.00	2 383 879.76	JPY	0.27
JPS371200001	SHIN-ETSU CHEMICAL CO LTD	131 831.00	5 019 204.54	JPY	0.56
JPS678000006	NISSAN CHEMICAL INDUSTRIES LTD	179 822.00	1 635 748.61	JPY	0.18
NL0000235190	EASO	595 746.00	10 285 262.28	EUR	1.16
JPS811000003	FUJIKURA LTD	362 706.00	1 304 320.53	JPY	0.15
JPS690000008	WEST JAPAN RAILWAY CO	550.00	1 643 923.22	JPY	0.19
JPS838800008	TDK CORPORATION	152 961.00	7 068 194.17	JPY	0.79
JPS942600002	YAMAHIA CORP	95 721.00	813 072.72	JPY	0.09
JPS134600006	ISHIKAWA HARIHARA HEAVY INDU	679 414.00	910 887.28	JPY	0.10
JPS223000008	KAWASAKI KISEN KASHA LTD	87 205.00	350 384.35	JPY	0.04
JPS606400006	PANJOC LTD	87 856.00	7 945 124.85	JPY	0.89
JPS1667600005	JGC	190 072.00	2 405 769.04	JPY	0.27
CH0016394154	PSP SWISS PROPERTY N	60 817.00	3 072 953.28	CHF	0.35
JPS902900004	MITSUBISHI UFJ FINANCIAL GROUP	6 741.00	25 614.46	JPY	0.00
DE0003304302	SOFTWARE	60 896.00	5 215 365.36	EUR	0.59
IT0001063210	MEDIASET SPA	230 113.00	1 135 032.37	EUR	0.13
FR0009000305	SAMPO A	26 784.00	502 200.00	EUR	0.06
JPS326600008	SHARP CORPORATION	234 174.00	1 964 229.42	JPY	0.22
FR0000120685	NATIXIS	4 448 953.00	18 248 005.43	EUR	2.05

Security code	Name	Quantity	Stock market value	Listing currency	% Assets
BE0003903044	COFINIMO SICAFI	9 938.00	987 762.44	EUR	0.11
NL0000095938	ROYAL PHILIPS ELECTRONICS NV	164 328.00	3 929 062.40	EUR	0.44
JP3889600005	MITSUBISHI ESTATE CO LTD	266 960.00	2 875 774.89	JPY	0.32
JP3036450005	JX HOLDINGS	901 537.00	3 737 094.91	JPY	0.42
FR0000120172	CARTEFOUR SA	281 014.00	9 626 819.55	EUR	1.12
FR0000120164	CGG VERITAS	2 397.00	35 535.53	EUR	0.00
FR0000125486	VINCI SA	130 843.00	4 860 817.45	EUR	0.55
FR0000000681	NOKIA OYJ	6544 466.00	46 432 986.27	EUR	5.22
ES0179430E18	TELEFONICA SA	1540 879.00	26 842 112.18	EUR	3.02
FR0000121972	SCHNEIDER ELECTRIC SA	156 024.00	13 803 124.00	EUR	1.55
FR0000124711	UNIBAIL RODAMCO	233 401.00	35 336 911.40	EUR	3.97
FR0000131104	BNP PARIBAS	146 078.00	7 867 501.38	EUR	0.88
FR0000120929	AXA	501 656.00	7 093 670.77	EUR	0.80
DE0008404035	ALLIANZ SE-NOM	582 527.00	44 775 155.70	EUR	5.03
DE0002979003	METRO	262 370.00	11 176 660.16	EUR	1.26
DE0000337129	RWE AG	397 351.00	20 967 841.19	EUR	2.36
FR000006681	STORA ENSO OYR	1 518 340.00	9 468 483.10	EUR	1.06
ES0011321835	ENEL SPA	1 375 536.00	5 162 331.88	EUR	0.58
DE0008477004	HEIDELBERGCEMENT AG	8 484 087.00	87 683 142.50	EUR	9.85
DE00068NAG999	E.ON AG	1 560 843.00	35 756 500.49	EUR	0.69
FR0000121261	MICHELIN (CODE)-SA	123 771.00	7 235 652.66	EUR	0.81
DE0006597508	DEUTSCHE TELEKOM AG-NOM	265 601.00	2 738 346.31	EUR	0.31
DE0005552004	DEUTSCHE POST AG-NOM	442 820.00	5 900 576.50	EUR	0.66
DE0007236101	SIEMENS AG-NOM	479 862.00	35 888 878.96	EUR	4.03
FR0001130009	SOCIETE GENERALE	725 000.00	32 070 375.00	EUR	3.60
ES0172616115	REPSOL YPF SA	2 393 867.00	43 342 691.49	EUR	4.87
FR0000120844	DANONE	1 361.00	58 577.44	EUR	0.01
DE0006140008	DEUTSCHE BANK AG-NOM	1 205 007.00	64 588 375.20	EUR	7.26
FR0000121964	KLEINER	43 256.00	1 059 123.16	EUR	0.12
FR0000120007	COMPAGNIE DE SAINT-GOBAIN SA	664 523.00	21 708 643.90	EUR	2.44
FR0010030498	GDF SUEZ	68 629.00	1 779 941.21	EUR	0.20
DE0007100000	DANIELI	539 784.00	22 333 563.00	EUR	2.51
FR0000120578	SANOFI-AVENTIS	352 720.00	15 854 886.10	EUR	1.78
ES0114650714	IBERDROLA SA	731 157.00	3 969 215.16	EUR	0.45
ES01103067019	AMADEUS.IT HOLDING	104 468.00	1 410 588.00	EUR	0.16
CH0012251511	THE SWATCH GROUP	3 153.00	746 236.80	CHF	0.08
FR0000649854	UNICREDIT SPA	786 655.00	1 691 328.75	EUR	0.19
DE0008400017	BAYER AG	344 196.00	15 194 206.54	EUR	1.71
FR0000130271	TOTAL	548 532.00	21 235 609.22	EUR	2.39
DE0006161005	BASF SE	89 808.00	2 685 373.68	EUR	0.30
Total Equity				92.92	
Total Investment Securities				92.92	
Cash				92.92	
OTHER					
PMLETTI Swap excl. PTF				EUR	0.44
Swap excl. EUR GO				EUR	6.70
Total OTHER				EUR	7.13

Security code	Name	Quantity	Stock market value	Listing currency	% Assets
AT BANK OR PENDING					
	Def. purchases EUR		38 314 541.78	EUR	4.31
	Def. sales EUR securities		-58 178 120.46	EUR	-6.66
	EUR SGP bank		20 859 578.05	EUR	2.34
TOTAL AT BANK OR PENDING					
			-0.03		
MANAGEMENT FEES					
	PlComGestAdm		-475 188.97	EUR	-0.05
TOTAL MANAGEMENT FEES					
			-475 188.97		-0.05
Total Cash					
			63 018 319.33		7.08
Total LYXOR ETF MSCI EMERGING MARKETS					
			885 976 228.25		100.00

**APPENDIX TO THE REPORT**  
**intended for Swiss subscribers**

This appendix makes the annual report with the CFB requirements for the marketing in Switzerland.  
**It has not been certified by the accountants.**

Country of origin of the Fund

France

Representative of the Swiss Fund

Société Générale (Zurich) has been authorised by the Federal Banking Commission (CFB) as the Fund's representative in Switzerland, and it also looks after the payment service.

The Fund's prospectus, articles of association, annual and semi-annual reports, as well as a list of the purchases and sales carried out by the Fund during the fiscal year, can be requested at no charge from the head office of the representative in Switzerland, Société Générale Paris, Zurich Branch, Talacker 50, P. O. Box 1928, 8021 Zürich.

Calculation of the Total Expense Ratio and of the PTR

Annual closing of the fund: 30.07.2010

UCITS management commission 0.65 % tax included

Average fortune of the Fund

for the period (from 30/07/09 to 30/07/10) 704 624 638.16

Expenses in thousands of euros	Annual report	Half-yearly report	Annual report
	30/07/2009	29/01/2010	30/07/2010
UCITS management commission	1 008 025.47	1 554 423.19	4 578 201.48
Performance dependency remuneration	0,00	0,00	0,00
Custodian bank commission	0,00	0,00	0,00
Other charges	0,00	0,00	0,00
Taxes	0,00	0,00	0,00
Total operating expenses excluding bonus	1 008 025.47	1 554 423.19	4 578 201.48
Total operating expenses including bonus	1 008 025.47	1 554 423.19	4 578 201.48

**Calculation of the TER (Total Expense Ratios) for 12 months, from 30.07.09 to 30.07.10:**

TER including bonus depending on the performance

$(4578201.48/704624638.16)*100$

TER 0.65 %

Performance compensation as a percentage share of the average net capital:

0.00 %

Composite [TER] (summary) including the acquisition of units from other collective investments

0.00 %

Calculation of the PTR (Portfolio Turnover Rate) from 30.07.09 to 30.07.10:

PTR 2 108.07 %

Purchases and sales of securities 15 914 989 819.44

Issues and redemptions of fund units 1 061 034 559.00

Net average fortune 704 624 638.16

Performance of the fund

The details of the performance of the Fund's units calculated in compliance with the principles of the Swiss Fund Association are given below:

	Annual performance from	Performance since inception on
	31/07/2009 to	30/07/2010
	30/07/2010	

**LYXOR ETF MCSI EMERGING MARKETS**

Unit A (EUR)

Unit B (USD)

27.36%

17.11%

6.34%

2.07%

**MCSI EMERGING MARKETS™ (USD)**

Unit A (EUR)	17.46%	1.33%
Unit B (USD)	17.46%	1.08%

Past performances are no indicator of future performances. The performances indicated here do not take into account the impact of possible subscription and redemption commissions and costs of Fund units.

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 July 31, 2009 to July 30, 2010	EUR			
Société Générale	15 877 503 407.84	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 EMERGING MARKETS is 27.36% up for shares A (EUR) from 31/07/2009 to 30/07/2010 and is 17.11 % up for shares B (USD) from 31/07/2009 to 30/07/2010 on the relevant (fiscal) period.

On the period from 31/07/2009 to 30/07/2010, the MSCI EMERGING MARKETS™ INDEX returned a performance equal to +17.46%.

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