

EXCHANGE TRADED FUNDS BY

LYXOR

SOCIETE GENERALE GROUP

**LYXOR ETF FTSE RAFI US 1000**

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

**Fiscal year closing on 31 August 2010**



**SOCIETE  
GENERALE**

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<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 an index-based strategy fund.

**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 market of the United States while reproducing the evolution of the FTSE RAFI US 1000<sup>TM</sup> strategy index (cf. "Benchmark Indicator" section), while insofar as possible minimizing the tracking error between the MF's performances and those of the FTSE RAFI US 1000<sup>TM</sup> strategy index.

The tracking error objective, calculated over a period of 52 weeks, is less than 1%.

Should the tracking error nevertheless be higher than 1%, the objective is still to remain below 5% of the volatility of the FTSE RAFI US 1000<sup>TM</sup> strategy index.

**Benchmark indicator:** The benchmark indicator is the FTSE RAFI 1000<sup>TM</sup> strategy index Price Return, listed in US-Dollar (USD), increased by the dividends possibly collected by the sub-fund pursuant to the holding of the shares comprising the index.

The FTSE RAFI US 1000<sup>TM</sup> strategy index is an equity index calculated and maintained jointly by the supplier of international indices FTSE and Research Affiliates LLC, a management research institution and partner of FTSE. The strategy index is published by FTSE.

The FTSE RAFI US 1000<sup>TM</sup> strategy index is exclusively comprised of securities of the United States selected on an annual basis within the universe of securities of the United States in the FTSE USA All Cap Index. For example, on 31 October 2006, the FTSE RAFI US 1000<sup>TM</sup> represented more than 95% of the S&P500 (SPX) index.

The FTSE RAFI US 1000<sup>TM</sup> strategy index is part of the range of so-called "fundamental" FTSE RAFI indices.

The FTSE RAFI methodology is based on a quantitative analysis rule intended to assess and select underlying securities according to fundamental criteria. Eligible securities are individually assessed and ranked on the basis of a coefficient calculated according to 4 company analysis factors: sales, results and margins, company valuation and dividends. These criteria are part of a long-term analysis of the companies.

Securities representing the highest coefficients (defined above) are selected within the strategy index. Each security's weighting is determined on the basis of the calculated coefficient and stock market capitalisation.

The FTSE RAFI strategy indices are analysed and re-balanced each year in March. The FTSE RAFI methodology and its calculation method entail the index being made up of a variable number of companies.

The FTSE RAFI US 1000<sup>TM</sup> strategy index was created on 28 November 2005 and its starting value was set on a basis of USD 5000 on 30 September 2005.

The FTSE RAFI US 1000<sup>TM</sup> index represents more than 95% of the stock market capitalisation of its reference market.

The complete construction methodology for the FTSE RAFI strategy indices is available on the FTSE web site [www.ftse.com](http://www.ftse.com).

The monitored performance is that of the index closing prices.

### **PUBLICATION OF THE FTSE RAFI US 1000<sup>TM</sup> STRATEGY INDEX**

The official FTSE RAFI strategy indices are calculated each day at the time of the closing while using the official closing prices from the stock markets in which the constituent securities are listed.

The FTSE RAFI US 1000<sup>TM</sup> strategy index is also calculated in real-time on each Trading day.

FTSE RAFI US 1000<sup>TM</sup> strategy index is available in real-time via Reuters and Bloomberg.

Via Reuters: .FTFR10

Via Bloomberg: FR10

The closing price of the FTSE RAFI US 1000<sup>TM</sup> strategy index is available on the FTSE Internet site: [www.ftse.com](http://www.ftse.com).

### **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 FTSE RAFI US 1000<sup>TM</sup> strategy 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 FTSE RAFI US 1000<sup>TM</sup> strategy index.

The shares held as assets by the MF will notably be shares that make up the FTSE RAFI US 1000<sup>TM</sup> strategy index, as well as other European 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 strategy index and so as to obtain an evolution of the basket of shares close to the evolution of the FTSE RAFI US 1000<sup>TM</sup> strategy 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 FTSE RAFI US 1000<sup>TM</sup> strategy index.

The MF's risk diversification rules can be assessed only by taking into consideration the underlying assets of the derivative instruments, including integrated derivatives. The MF can therefore be invested in non-diversified balance sheet assets provided that, after taking into consideration the underlying assets of the derivative instruments, the net exposure to the underlying assets complies with the diversification rules.

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, European shares (from all economic sectors, listed on all markets), for up to 100% of the net assets.

For up to 10% of its net assets, the fund can invest in the assets of UCITS that comply with Directive 85/611/EEC UCITS as amended according to Directives 2001/107/EC and 2001/108/EC.

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 FTSE RAFI US 1000<sup>TM</sup> strategy index.

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 R.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 R.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 FTSE RAFI US 1000<sup>TM</sup> equities strategy index. The MF is therefore 100% exposed to the market risks related to the fluctuations of the equities comprising the FTSE RAFI US 1000<sup>TM</sup> strategy index. The bearer is notably exposed to downward movements of the equities comprising the FTSE RAFI US 1000<sup>TM</sup> strategy index, and therefore a risk of the decrease of the FTSE RAFI US 1000<sup>TM</sup> strategy 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 FTSE RAFI US 1000<sup>TM</sup> strategy index: any re-weighting of the FTSE RAFI US 1000<sup>TM</sup> strategy index can result in miscellaneous transaction or friction costs.

Similarly, the MF will not be able to perfectly reproduce the performance of the FTSE RAFI US 1000<sup>TM</sup> strategy index notably because of the temporary unavailability of certain securities comprising the strategy index or due to exceptional circumstances that might result in distortions in the weighting of the strategy index, and notably in case of temporary suspension or interruption of the listing of the securities comprising the FTSE RAFI US 1000<sup>TM</sup> strategy 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 FTSE RAFI US 1000<sup>TM</sup> index, there is a risk that the capital could be lost since the FTSE RAFI US 1000<sup>TM</sup> strategy 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.

**A units (solely)**

5. 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 FTSE RAFI US 1000<sup>TM</sup> strategy index 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 for this MF wishes to obtain an exposure to the equity market of the United States.

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): 9 January 2007.*
- *MF creation date: Units A: 24 January 2007.  
Units B: 20 May 2008.*



## Management policy

Data as of 31 August 2010

EXCHANGE TRADED FUNDS BY

**LYXOR**

SOCIETE GENERALE GROUP

LYXOR ETF FTSE RAFI US 1000

MANAGEMENT REPORT from 31 August 2009 to 31 August 2010

AMF classification: International equities

Value code: Units A (EUR): FR0010400804  
Value code: Units B (USD): FR0010400754

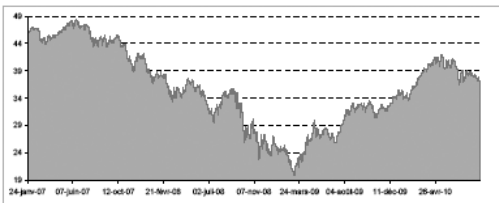
Minimum investment duration		Greater than 5 years
Original net asset value Unit A	:	45.82
Original net asset value Unit B	:	5.79
Net asset value on Unit A	31 August 2009:	32.56
Net asset value on Unit B	31 August 2009:	4.67
Net asset value on Unit A	31 August 2010:	37.2878
Net asset value on Unit B	31 August 2010:	4.7442
Performance since the start of the year Unit A	:	8.87%
Performance since the start of the year Unit B	:	-4.16%
Performance since the launch Unit A	:	-18.62%
Performance since the launch Unit B	:	-18.06%
Performance since Unit A	31 August 2009:	14.52%
Performance since Unit B	31 August 2009:	1.59%

### Management objective

The MF's management objective is to obtain an exposure to the equity market of the United States while reproducing the evolution of the FTSE RAFI US 1000<sup>TM</sup> strategy index, while insofar as possible minimizing the tracking error between the MF's performances and those of the FTSE RAFI US 1000<sup>TM</sup> strategy index.

The tracking error objective, calculated over a period of 32 weeks, is less than 1%. Should the tracking error nevertheless be higher than 1%, the objective is still to remain below 5% of the volatility of the FTSE RAFI US 1000<sup>TM</sup> strategy 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 FTSE RAFI US 1000 MF is up by 14.52% over the fiscal year and stands at EUR 37.2878 on 31 August 2010, meaning a fund performance of -18.62% since its launch date.

The net asset value of the B units is up by 1.59% and stands at USD 4.7442 on 31 August 2010, meaning a fund performance of -18.06% since its launch date.

The fund replicates the performance of the FTSE RAFI US 1000<sup>TM</sup> strategy index, listed in US Dollar (USD), net dividends reinvested, which is showing an evolution of +1.50% over the fiscal year. As 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 +13.29% 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 FTSE RAFI US 1000<sup>TM</sup> index.

On 31 August 2010, the tracking error reached a level of 0.07736%.

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 index since the start

	Performance	Closing price on	Initial price on
Unit A		31 August 2010	23 January 2007
Lower			
FTSE RAFI US 1000 <sup>TM</sup>	-21.29%	4 699.80	5 971.12
Unit B		31 August 2010	19 May 2008
Lower			
FTSE RAFI US 1000 <sup>TM</sup>	-17.90%	4 699.80	5 724.71

## 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 31 August 2010**

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**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 FTSE RAFI US 1000**

Mutual fund governed by the  
Monetary and Financial Code

#### Management Company

LYXOR INTERNATIONAL ASSET MANAGEMENT  
Tour Société Générale  
17, cours Valmy  
92800 Puteaux

Ladies, Gentlemen,

As part of the mission entrusted to us by the management company's executive committees, we hereby present our report relative to the fiscal year closing on 31 August 2010 concerning:

- the verification of the annual accounts of the mutual fund LYXOR ETF FTSE RAFI US 1000, 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, 9 December 2010

The auditor

**PricewaterhouseCoopers Audit**

*(signature)*

Marie-Christine Jetil

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

	31.08.2010	31.08.2009
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>61 910 230,22</b>	<b>43 321 943,21</b>
• <b>SHARES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	59 191 972,37	40 825 060,45
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	2 718 257,85	2 496 882,76
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Liabilities</b>	<b>1 407 164,57</b>	<b>10 091 124,98</b>
Future foreign currency operations	-	-
Other	1 407 164,57	10 091 124,98
<b>Financial accounts</b>	<b>512 944,37</b>	-
Liquidity	512 944,37	-
<b>Total assets</b>	<b>63 830 339,16</b>	<b>53 413 068,19</b>

**BALANCE SHEET liabilities**

	31.08.2010	31.08.2009
Currency	EUR	EUR
<b>Shareholders equity</b>		
• Capital	61 218 106,59	42 561 574,53
• Carried forward	-	-
• Adjustment of carried forward	-	-
• Result	658 885,02	734 516,62
<b>Total shareholders equity</b> <i>(amount representing the net assets)</i>	<b>61 876 991,61</b>	<b>43 296 091,15</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>1 953 347,55</b>	<b>25 852,04</b>
Future foreign exchange operations	-	-
Other	1 953 347,55	25 852,04
<b>Financial accounts</b>	-	<b>10 091 125,00</b>
Current bank accommodations	-	10 091 125,00
Loans	-	-
<b>Total liabilities</b>	<b>63 830 339,16</b>	<b>53 413 068,19</b>

**Off-balance sheet commitments**

	31.08.2010	31.08.2009
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	74 710 113,90	58 732 166,09
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	31.08.2010	31.08.2009
Currency	EUR	EUR
<b>Earnings and financial operations</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings and shares and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt instruments	1 020 173,39	1 171 999,58
• Earnings on temporary acquisitions and sales of securities	-	-
• Earnings on future financial instruments	-	-
• Other financial earnings	-	-
<b>Total (I)</b>	<b>1 020 173,39</b>	<b>1 171 999,58</b>
<b>Charges on financial operations</b>		
• Charges on temporary acquisitions and sales of securities	-	-
• Charges on future financial instruments	-	-
• Charges on financial debts	-111,88	-80,45
• Other financial charges	-	-
<b>Total (II)</b>	<b>-111,88</b>	<b>-80,45</b>
<b>Earnings on financial operations (I - II)</b>	<b>1 020 061,51</b>	<b>1 171 919,13</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-291 779,30	-245 931,13
<b>Net earnings of the fiscal year (L.214-9) (I - II + III - IV)</b>	<b>728 282,21</b>	<b>925 988,00</b>
Adjustment of the fiscal year's earnings (V)	-69 397,19	-191 471,38
Advances paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>658 885,02</b>	<b>734 516,62</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 rates used for the assessment of financial instruments drafted in a currency other than the MF's reference currency are the exchange rates disseminated by WM/Reuters the day of the MF's net asset value.

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

The chosen method is that of included fees.

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

The chosen method is that of the collected coupon.

## Valuation methods for off-balance sheet commitments

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

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

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

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

## Operation and management fees

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

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

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

<b>Fees invoiced to the MF</b>	<b>Basis</b>	<b>Schedule rate</b>
Operation and management fees, tax incl. <sup>(1)</sup>	Net assets	maximum 0.60% 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 6 May 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.

# appendix

Lyxor ETF FTSE RAFI US 1000 in no way benefits from the sponsorship, support or promotion, and is not sold by FTSE International Limited (hereinafter “FTSE”), London Stock Exchange Plc, the Financial Times Limited or Research Affiliates LLC (collectively the “Holders”).

The Holders grant no guarantee and undertake no commitment, whether explicitly or implicitly, relative to the results to be obtained through the use of the FTSE RAFI US 1000 TM index (hereinafter the "Index") and/or relative to the level at which the said Index may be at any given moment or day, or of any other type. The Index is calculated by or in the name of FTSE. The Holders will not be liable (whether on the basis of negligence or any other basis) for any error affecting the Index with regard to any party, and it will have no obligation to inform anyone of any possible error affecting the Index.

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**2. Evolution of the net assets**

	31.08.2010	31.08.2009
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>43 296 091,15</b>	<b>47 995 252,58</b>
Subscriptions (including subscription commission acquired by the UCITS)	25 703 700,00	6 190 200,00
Redemptions (less the redemption commission acquired by the UCITS)	-10 713 382,64	-9 879 891,84
Capital gains generated on deposits and financial instruments	12 706 254,40	10 164 661,84
Capital losses generated on deposits and financial instruments	-10 840 728,87	-23 040 361,44
Capital gains generated on future financial instruments	60 189 152,39	83 383 517,17
Capital losses generated on future financial instruments	-54 454 522,56	-77 241 455,34
Negotiation fees	-	-
Exchange differentials	464 235,22	-358 372,65
Changes to the estimate difference of the deposits and financial instruments:	-4 641 814,35	6 560 956,63
- <i>Estimate difference fiscal year N</i>	153 987,84	4 795 802,19
- <i>Estimate difference fiscal year N-1</i>	4 795 802,19	-1 765 154,44
Changes to the estimate difference of future financial instruments:	-35 176,80	-699 665,29
- <i>Estimate difference fiscal year N</i>	-248 929,31	-213 752,51
- <i>Estimate difference fiscal year N-1</i>	-213 752,51	485 912,78
Distribution from the previous fiscal year	-525 098,54	-704 738,51
Net earnings of the fiscal year before adjustment account	728 282,21	925 988,00
Advance(s) paid during the fiscal year	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>61 876 991,61</b>	<b>43 296 091,15</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 (“ <i>BMTN</i> ”)	-	-
Other instruments	-	-

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

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

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	-	-	-	74 710 113,39
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	-	-	-	512 944,37
<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	512 944,37	-	-	-	-
<b>Liabilities</b>					
Temporary operations on securities	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	74 710 113,39

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

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

By main currency	CHF	NOK	SEK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	5 743 943,07	611 267,42	92 497,91	38 074,11
Bonds and similar securities	-	-	-	-
Debt instruments	-	-	-	-
MF shares	-	-	-	-
Temporary operations on securities	-	-	-	-
Forward financial instruments on the asset side	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary operations on securities	-	-	-	-
Forward financial instruments on the liability side	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

### 3.5 Receivables and Debts: breakdown by type

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

<b>Receivables</b>	<b>1 407 164,57</b>
Future currency exchange operations	-
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlements sales	1 407 164,57
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>1 953 347,55</b>
Future currency exchange operations	-
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlements purchases	1 920 108,97
Provisioned costs	33 238,58
-	-
-	-
-	-
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 / FR0010400804	660 000	25 703 700,00	170 400	5 440 872,00
UNIT B / FR0010400754	-	-	1 600 000	5 272 510,64
Subscription / redemption commission by share category:		Amount		Amount
UNIT A / FR0010400804		-		-
UNIT B / FR0010400754		-		-
Remittances by share category:		Amount		Amount
UNIT A / FR0010400804		-		-
UNIT B / FR0010400754		-		-
Commissions acquired by the UCITS by share category:		Amount		Amount
UNIT A / FR0010400804		-		-
UNIT B / FR0010400754		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets:	%
Share category:	
UNIT A / FR0010400804	<b>0,60</b>
UNIT B / FR0010400754	<b>0,60</b>
Performance commissions (variable fees): amount of costs for the year	<b>Amount</b>
Share category:	
UNIT A / FR0010400804	-
UNIT B / FR0010400754	-
Retrocession of management fees:	
- Total amount of fees retroceded to the UCITS	-
- Breakdown by "target" UCITS	
- UCITS 1	-
- UCITS 2	-
- UCITS 3	-
- UCITS 4	-

### 3.8 Commitments given and received

3.8.1 Description of guarantees received by the UCITS with indication of the capital guarantees ..... **None**

3.8.2 Description of the other commitments received and/or given ..... **None**

### 3.9 Other information

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

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

3.9.2 Current value of the financial instruments comprising security deposits:

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

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

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

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

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

- Swap	<b>2 718 257,85</b>
--------	---------------------

### 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
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		-	-	-	-

**LYXOR ETF FTSE RAFI US 1000**

	<b>31.08.2010</b>	<b>31.08.2009</b>
<b>Allocation of the profit/loss</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Adjustment of carried forward	-	-
Earnings	658 885,02	734 516,62
<b>Total</b>	<b>658 885,02</b>	<b>734 516,62</b>

UNIT A / FR0010400804	<b>31.08.2010</b>	<b>31.08.2009</b>
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	482 521,20	390 423,60
Carried forward for the fiscal year	-	-
Capitalisation	80 963,81	123 087,77
<b>Total</b>	<b>563 485,01</b>	<b>513 511,37</b>
<b>Information relative to the units and resulting in a distribution right</b>		
Number of circulating units	1 419 180,00	929 580,00
Distribution per unit	0,34	0,42
<b>Tax credits</b>	-	-

**LYXOR ETF FTSE RAFI US 1000**

UNIT B / FR0010400754	31.08.2010	31.08.2009
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	75 534,05	167 241,56
Carried forward for the fiscal year	-	-
Capitalisation	19 865,96	53 763,69
<b>Total</b>	<b>95 400,01</b>	<b>221 005,25</b>
<b>Information relative to the units and resulting in a distribution right</b>		
Number of circulating units	2 400 000,00	4 000 000,00
Distribution per unit	0,03	0,04
<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: 24 January 2007; Units B: 20 May 2008.*

UCITS currency

EUR	31.08.2010	31.08.2009	29.08.2008	31.08.2007	Date n-4
<b>Net assets</b>	<b>61 876 991,61</b>	43 296 091,15	47 995 252,58	28 896 509,16	-

**LYXOR ETF FTSE RAFI US 1000**

UNIT A / FR0010400804		Currency of the UNIT and of the NAV: EUR			
	31.08.2010	31.08.2009	29.08.2008	31.08.2007	Date n-4
Number of circulating units	1 419 180,00	929 580,00	959 334,00	650 000,00	-
Net asset value	37,28	32,56	35,3	44,45	-
Unit distribution (including advances)*	0,34	0,42	0,53	0,29	-
Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup>	-	-	-	-	-
Unit capitalization *	0,05	0,13	1,22	2,53	-

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

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

UNIT B / FR0010400754		Currency of the UNIT and of the NAV: USD				
	31.08.2010	31.08.2009	29.08.2008	31.08.2007	Date n-4	
Number of circulating units	2 400 000,00	4 000 000,00	4 000 000,00	-	-	
Net asset value	4,74	4,67	5,19	-	-	
Unit distribution (including advances)*	0,03	0,04	0,05	-	-	
Unit tax credit transferred to unit holders (natural persons) <sup>(1)</sup>	-	-	-	-	-	
Unit capitalization *	-	0,01	0,14	-	-	

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

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



4. UCITS inventory

appendix

Security code	Name	Quantity	Stock market value	Listing currency	% Assets
LYXOR ETF FTSE RAFI US 1000					
Investment Securities					
Equity					
FR000000081	NOKIA OYJ	419 518.00	2 523 655.68	EUR	4.57
DE0007037129	RWE AG	4 747.00	245 324.96	EUR	0.40
DE000ENAG868	E.ON AG	135 515.00	3 005 110.58	EUR	4.86
IT0003132476	ENI SPA	116 988.00	1 833 201.96	EUR	2.95
DE0007238101	SIEMENS AG-NOM	54 063.00	3 850 642.14	EUR	6.27
IT0003459168	TELECOM ITALIA S.P.A.	1 012 957.00	1 080 825.12	EUR	1.75
DK0010268606	VESTAS WIND SYSTEMS A/S	1 263.00	38 074.11	DKK	0.06
FR0000121667	ESSILOR INTERNATIONAL	5 631.00	275 275.75	EUR	0.45
FR000009681	STORA ENSO OYJ-R	25 322.00	164 064.37	EUR	0.25
SX000427361	NORDEA BANK AB	7 117.00	50 335.08	SEK	0.08
FR0010291639	MERCAURY	24 280.00	626 059.80	EUR	1.01
SX000255249	ASSA ABLOY B	2 674.00	42 162.83	SEK	0.07
ES0016840616	TELEFONICA SA	198 975.00	3 475 062.50	EUR	5.62
NL0000030600	ING GROEP N.V.-O/A	21 620.00	153 132.76	EUR	0.25
IT0000004654	UNICREDIT SPA	38 211.00	70 766.77	EUR	0.11
DE0006045432	HENKEL KGAA I/VZ	20 287.00	753 016.70	EUR	1.22
IT0001876403	FIAT	181 575.00	1 771 110.88	EUR	2.86
N00010063306	TELEOR	52 542.00	606 939.76	NOK	0.98
FR0000127771	VIVENDI	44 658.00	825 835.78	EUR	1.34
FR0000120371	TOTAL	96 637.00	3 593 006.19	EUR	5.76
BE0003783107	ANHEUSER-BUSCH INBEV	17 254.00	708 180.43	EUR	1.15
DE0005557938	DEUTSCHE TELEKOM AG-NOM	105 913.00	1 100 439.07	EUR	1.78
DE0000845F11	BASF Narmen -AM	47 730.00	1 887 238.55	EUR	3.21
IT0003126387	ENEL SPA	140 758.00	503 250.08	EUR	0.86
ES0016860010	FERROVAL SA	567 253.00	2 477 189.30	EUR	4.00
ES0017351615	REPOL YPF SA	58 882.00	1 075 771.23	EUR	1.74
IT0000060072	ASSICURAZIONI GENERALI	87 698.00	1 251 421.82	EUR	2.02
FR0010206486	GDF SUEZ	61 167.00	1 494 615.65	EUR	2.42
FR0000131506	RENAULT SA	28 954.00	528 266.54	EUR	1.50
FR0000131104	BNP PARIBAS	26 228.00	1 294 676.36	EUR	2.09
CH0008663350	NESTLE SA	71 918.00	2 805 314.86	CHF	4.74
ES0144560714	IBERDROLA SA	160 055.00	869 905.80	EUR	1.44
DE0007100000	DAMLER	78 523.00	3 027 495.28	EUR	4.89
DE0006404005	ALLIANZ SE-NOM	36 383.00	2 944 840.02	EUR	4.76
N00010317811	NORVEGIAN PROPERTY	3 775.00	4 327.95	NOK	0.01

Security code	Name	Quantity	Stock market value	Listing currency	% Assets
DE00BAY00017	BAYER AG	92 497.00	4 462 768.96	EUR	7.22
CH0004894483	UBS AG NOM	210 888.00	2 888 238.39	CHF	4.54
ES0146366015	INDITEX	19 698.00	1 063 988.36	EUR	1.67
AL0000095938	ROYAL PHILIPS ELECTRONICS NV	133 280.00	2 966 530.90	EUR	4.76
Total Equity			59 191 972.37		95.95
Total Investment Securities			59 191 972.37		95.95
Cash					
OTHER					
	Swpt resold pool EUR GO		2 957 187.16	EUR	4.90
	PMLLETL Swap excl. PTF		-248 928.31	EUR	-0.40
Total OTHER			2 718 257.85		4.39
AT BANK OR PENDING					
	Def. sales EUR securities		1 407 164.57	EUR	2.27
	EUR SGP bank		512 944.37	EUR	0.83
	Def. purchases EUR securities		-1 920 108.67	EUR	-3.10
Total AT BANK OR PENDING			-4.03		
MANAGEMENT FEES					
	P-Com-SecAdm		-33 238.09	EUR	-0.05
Total MANAGEMENT FEES			-33 238.09		-0.05
Total Cash			2 695 018.24		4.34
Total LYXOR ETF FTSE RAFI US 1000			61 876 991.61		100.00

The following notes relate to the marketing of the fund in Hong-Kong

#### 4. Transactions with Manager and its connected persons

##### 4.1. Investment transactions with connected persons of the Manager

The following note is a summary of the transactions entered into during the year between the Fund and the Manager and its connected persons.

Connected persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

Investment transactions with connected persons of the Manager:

Name of company	Aggregate value of purchases and sales of securities	% of the Fund's total transactions	% of the Fund's total commission paid in the year	Average rate of commission
From August 31, 2009 to August 31, 2010	EUR			
Société Générale	654 566 341,34	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 FTSE RAFI US 1000 is 14.52% up for shares A (EUR) from 31/08/2009 to 31/08/2010 and is 1.59% up for shares B (USD) from 31/08/2009 to 31/08/2010 on the relevant (fiscal) period.

On the period from 31/08/2009 to 31/08/2010, the FTSE RAFI US 1000™ INDEX returned a performance equal to +1.90%.

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