

EXCHANGE TRADED FUNDS BY

**LYXOR**

SOCIETE GENERALE GROUP

**LYXOR ETF MSCI EMERGING MARKETS\* (\*This is a synthetic ETF)**

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

**Fiscal year ending on 29 July 2011**

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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 index-based.

**Allocation of the earnings:** The management company reserves the right to capitalise and/or distribute all or part of the revenues one or more times 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 Net Total Return 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 Net Total Return 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 Net Total Return index.

**Benchmark indicator:** The benchmark indicator is the MSCI EMERGING MARKETS Net Total Return index, listed in US dollars (USD).

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

The MSCI EMERGING MARKETS Net Total Return 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 Net Total Return 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 Net Total Return 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.msibarra.com](http://www.msibarra.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 Net Total Return index, the MF will (i) purchase a basket of balance sheet assets (as defined below) and in particular international and/or, (ii) a forward exchange contract negotiated over-the-counter allowing the MF to reach its management objective, if necessary by transforming the exposure to its assets into an exposure to the MSCI EMERGING MARKETS Net Total Return index.

If necessary, the shares held as assets by the MF will notably be shares that make up the MSCI EMERGING MARKETS Net Total Return index, as well as other European shares, from all economic sectors, listed on all markets, including the small caps markets.

In this case, the shares held as assets by the MF will be chosen in order to limit the costs linked to the replication of the index and in order to obtain a development of the basket of shares as close as possible to that of the MSCI EMERGING MARKETS Net Total Return 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 Net Total Return.

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.

## **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.

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)**

The MF will have recourse to index-linked swaps negotiated over-the-counter, exchanging the value of the securities held as assets by the MF (or of any asset held by the MF, where appropriate) against the value of the MSCI EMERGING MARKETS Net Total Return 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 index-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**

A share price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

### **2. Risk related to low diversification of the index**

The reference index to which the investors are exposed covers a given region, area or strategy and therefore does not necessarily allow for as broad a diversification of the assets as would be the case of an index that is exposed to several regions, sectors or strategies. The exposure to an index with such low diversification can result in greater volatility than in more diversified markets. Nevertheless, the diversification rules resulting from the UCITS standards always apply to the MF's underlyings.

### **3. Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the benchmark index be negative over the investment period.

### **4. Liquidity risk (primary market)**

Should the MF (or one of its counterparties for future financial instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the MF could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of units.

### **5. Liquidity risk on a place of listing**

The MF's share price can deviate from its indicative net asset value. The liquidity of the MF's units or equities on a place of listing can be affected by any suspension that could notably be due to:

- i) suspension or stoppage of the calculation of the index, and/or
- ii) suspension of the market(s) of the underlyings used by the benchmark index, and/or
- iii) the impossibility for a given place of listing to obtain or calculate the MF's indicative net asset value, and/or
- iv) a market maker's violation of the rules applicable to this marketplace, and/or
- v) a failure of this marketplace's IT or electronic systems.

## **6. Counterparty risk**

The MF is exposed to the risk of bankruptcy, payment default or any other type of default of any counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of Future financial instruments (“FFI”) traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the MF’s assets.

## **7. Risk related to the exposure to Emerging markets**

The MF’s exposure to emerging markets results in a greater risk of loss that would exist in the event of investments carried out within traditional developed markets. In particular, the operating and supervision rules in an emerging market may differ from the standards applicable to developed markets. The exposure to emerging markets notably results in: increased volatility of the markets, lower transaction volumes, the risk of economic and/or political instability, an unstable or uncertain fiscal and/or regulatory regime, risks of closing of the markets, of government restrictions on foreign investments, and interruption or restriction of the convertibility or transferability of any of the currencies comprising the reference index.

## **8. Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise.

### **- Risk related to the use of derivative instruments**

In order to reach its investment objective, the MF uses future financial instruments (“FFI”) negotiated over-the-counter, that can notably take the form of swap contracts that will allow it to obtain the performance of the benchmark index. These FFIs can result in a series of risks on the level of the FFIs that notably include: counterparty risk, event affecting the hedging, event affecting the index, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the MF’s net asset value.

### **- Risk related to a change of the tax regime**

Any change to the tax legislation in any of the countries in which the MF is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the MF’s manager assumes no liability relative to investors with regard to the payments having to be made to any competent tax authority.

- Risk related to a change of the tax regime affecting the underlyings

Any change of the tax legislation applicable to the MF's underlyings can affect the MF's tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the MF (and/or to its counterparty in the FFI), the MF's net asset value may be affected.

- Risk related to regulations

In case of change of the regulations in any country in which the MF is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the units may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the MF's underlyings, the MF's net asset value can be affected, as can the processes for the subscription, conversion and redemption of the units.

- Risk related to events affecting the index

In case of events affecting the benchmark index, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of MF units. The calculation of the MF's net asset value can also be affected.

If the event persists, the MF's manager will decide on measures having to be adopted, which can have an impact on the MF's net asset value.

“Events affecting the index” are understood to mean the following situations:

- i) the index is considered to be incorrect or not reflective of the market's actual evolution,
- ii) the index is definitively discontinued by its supplier,
- iii) the supplier of the index is incapable of providing the level or value of the said index,
- iv) the supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this index or of the respective weightings between its various components), that cannot be effectively replicated by the MF at a reasonable cost.

**- Operational risk**

In case of an operational failure within the management company or of one of its representatives, investors may incur delays in the processing of subscriptions, conversions and redemptions of the units, or other disturbances.

**- Securities transaction risk**

Should the issuer of a security underlying the index undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the MF (and/or in a valuation of the ST by the MF’s counterparty in a future financial instrument), the MF’s net asset value may be affected, notably should the actual treatment of the ST by the MF differ from the ST’s treatment in the methodology used by the benchmark index.

**9. Exchange risk linked to the index**

The MF is exposed to the exchange risk insofar as the underlying securities comprising the reference index may be listed in a currency other than the currency of the index or be derived from securities listed in a currency other than the currency of the index. The fluctuations of exchange rates could therefore negatively affect the reference index followed by the MF.

**10. Exchange risk linked to the D-EUR (EUR/USD) units class**

The aforesaid unit class is exposed to an exchange risk given that it is listed in a currency other than that of the index. Consequently, the net asset value of the aforesaid unit class can decline despite an increase of the value of the benchmark index, as a result of exchange rate fluctuations.

**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 D-EUR	Units D-USD
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.

**Units D-EUR (solely)**

The MF's D-EUR 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 - 92800 Puteaux - France*
- *Approval date by the AMF (Financial Markets Authority): 30 January 2007.*
- *MF creation date: Units D-EUR: 18 April 2007.  
Units D-USD: 24 April 2007.*

## Management policy

Data as of 29 July 2011



**LYXOR ETF MSCI EMERGING MARKETS**  
MANAGEMENT REPORT from 30 July 2010 to 29 July 2011

AMF classification: International equities

Value code: Units D-EUR: FR0010429068  
Value code: Units D-USD: FR0010435297

Minimum investment duration	Greater than 5 years
Original net asset value Unit D-EUR	: 7.21
Original net asset value Unit D-USD	: 9.81
Net asset value on Unit D-EUR	30 July 2010: 7.6672
Net asset value on Unit D-USD	30 July 2010: 10.0126
Net asset value on Unit D-EUR	29 July 2011: 8.0036
Net asset value on Unit D-USD	29 July 2011: 11.5285
Performance since the start of the year Unit D-EUR	: -8.23%
Performance since the start of the year Unit D-USD	: -1.31%
Performance since the launch Unit D-EUR	: 11.01%
Performance since the launch Unit D-USD	: 17.52%
Performance since Unit D-EUR	30 July 2010: 4.38%
Performance since Unit D-USD	30 July 2010: 15.14%

### 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 Net Total Return 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 Net Total Return 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 Net Total Return index.

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



### Particular events

On 6 June 2011: change of units' name: unit D-EUR replaces unit A (EUR), unit D-USD replaced unit B.  
On 6 June 2011: index change: the MSCI EMERGING MARKETS Net Total Return index replaces the MSCI EMERGING MARKETS index.

### Explanation of the Net Asset Value

The net asset value of the D-EUR units of the LYXOR ETF MSCI EMERGING MARKETS MF is up by 4.39% over the fiscal year and stands at EUR 8.0036 on 29 July 2011, meaning a fund performance of +11.01% since its launch date.

The net asset value of the D-USD units is up by 15.14% over the fiscal year and stands at USD 11.5285 on 29 July 2011, meaning a fund performance of +17.52% since its launch date.

The fund replicates the performance of the MSCI EMERGING MARKETS Net Total Return index, listed in United States dollars (USD), increased by the possible dividends collected by the MF as a result of holding equities comprising the index that has climbed by +15.38% over the fiscal year. As the D-EUR 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 declined by 8.50% against the EUR.

Following the summary index-tracking management method, the replication of the index is ensured via an index-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 Net Total Return index.

On 29 July 2011, the tracking error reached a level of 0.0715601%.

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.

## Management policy (continuation and end)

### Evolution of the basket since the start

	Performance	Closing price on	Initial price on
Unit D-EUR		3 June 2011	17 April 2007
higher			
MSCI EMERGING MARKETS	18.10%	1 155.51	978.44

	Performance	Closing price on	Initial price on
Unit D-USD		3 June 2011	23 April 2007
higher			
MSCI EMERGING MARKETS	17.81%	1 155.51	980.86

	Performance	Closing price on	Initial price on
Unit D-EUR		29 July 2011	6 June 2011
lower			
MSCI EMERGING MARKETS	-0.99%	438.89	443.29
Net Total Return			

	Performance	Closing price on	Initial price on
Unit D-USD		29 July 2011	6 June 2011
lower			
MSCI EMERGING MARKETS	-0.99%	438.89	443.29
Net Total Return			

## 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

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**AUDITOR'S REPORT  
ON THE ANNUAL ACCOUNTS  
Fiscal year closing on 29 July 2011**

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 29 July 2011 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.

Taking into account the delay for the transfer of certain information, this report is dated 24 November 2011.

Neuilly sur Seine, 24 November 2011

The auditor

**PricewaterhouseCoopers Audit**

*(signature)*

Marie-Christine Jetil

**ANNUAL ACCOUNTS**

**BALANCE SHEET assets**

	<b>29.07.2011</b>	<b>30.07.2010</b>
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>1 129 255 564,69</b>	<b>890 451 419,25</b>
• <b>SHARES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	1 095 103 049,57	826 957 909,92
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	34 152 515,12	63 493 509,33
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Liabilities</b>	<b>135 482 903,26</b>	<b>20 863 578,65</b>
Future foreign currency operations	-	-
Other	135 482 903,26	20 863 578,65
<b>Financial accounts</b>	-	<b>38 314 541,78</b>
Liquidities	-	38 314 541,78
<b>Total assets</b>	<b>1 264 738 467,95</b>	<b>949 629 539,68</b>

**BALANCE SHEET liabilities**

	<b>29.07.2011</b>	<b>30.07.2010</b>
Currency	EUR	EUR
<b>Shareholders' equity</b>		
• Capital	1 130 193 315,21	889 263 971,95
• Carried forward	-	-
• Adjustment of carried forward	-	-
• Result	-1 529 519,97	712 257,30
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>1 128 663 795,24</b>	<b>889 976 229,25</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>136 074 672,69</b>	<b>59 653 310,43</b>
Future foreign exchange operations	-	-
Other	136 074 672,69	59 653 310,43
<b>Financial accounts</b>	<b>0,02</b>	-
Current bank accommodations	0,02	-
Loans	-	-
<b>Total liabilities</b>	<b>1 264 738 467,95</b>	<b>949 629 539,68</b>

**Off-balance sheet commitments**

Currency	29.07.2011	30.07.2010
	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	1 016 784 423,39	836 946 607,33
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

**Profit and loss account**

	29.07.2011	30.07.2010
Currency	EUR	EUR
<b>Earnings and financial operations</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings and shares and similar securities	2 725 600,00	4 272 050,00
• Earnings on bonds and similar securities	-	-
• Earnings on debt instruments	8 544 597,22	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>11 270 197,22</b>	<b>9 438 050,61</b>
<b>Charges on financial operations</b>		
• Charges on temporary acquisitions and sales of securities	-	-
• Charges on future financial instruments	-	-
• Charges on financial debts	-937,07	-354,59
• Other financial charges	-	-
<b>Total (II)</b>	<b>-937,07</b>	<b>-354,59</b>
<b>Earnings on financial operations (I - II)</b>	<b>11 269 260,15</b>	<b>9 437 696,02</b>
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-7 790 674,81	-4 578 201,48
<b>Net earnings of the fiscal year (L.214-9) (I - II + III - IV)</b>	<b>3 478 585,34</b>	<b>4 859 494,54</b>
Adjustment of the fiscal year's earnings (V)	844 925,48	-102 270,85
Advances paid for the fiscal year (VI)	-5 853 030,79	-4 044 966,39
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-1 529 519,97</b>	<b>712 257,30</b>

## 1. Accounting rules and methods

The annual accounts are presented in the format pursuant to the provisions of CRC Regulation no. 2003-02 of 2 October 2003 relative to the chart of accounts of UCITS, modified by CRC regulation no. 2005-07 of 3 November 2005, and approved by the ministerial decree of 26 December 2005.

### **Assessment rules**

The MF's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2003-02 of the Comité de la Réglementation Comptable dated 2 October 2003 relative to the chart of accounts of UCITS (1st part).

The financial instruments negotiated on a regulated market are assessed at the closing price on the day of the net asset value.

When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

However, in the absence of significant transactions on a regulated market, the following financial instruments are assessed using the following specific methods:

- negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a straight-line extension over the residual lifespan of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the actual value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.

Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day of the net asset value. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day of the net asset value. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be valued on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this valuation.

Deposits are assessed at their nominal value, plus any related interest that has accrued.

Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable negotiation value, under the management company's responsibility.

Temporary acquisitions and sales of securities are assessed at the market price.

Units and shares in undertakings for collective investment in transferable securities operating under French law are assessed at the last net asset value known on the calculation date of the MF's net asset value.

Units and shares of investment funds operating under foreign law are assessed at the last unit net asset value known on the calculation date of the MF's net asset value.

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable negotiation value, under the management company's responsibility.

The exchange 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 units D-EUR and D-USD management fees**

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

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

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

<b>Fees invoiced to the MF</b>	<b>Basis</b>	<b>Schedule rate</b>
Operation and management fees, tax incl. <sup>(1)</sup>	Net assets	maximum 0.65% per year
Outperformance commissions	Net assets	None
Service providers collecting commissions on transactions	Collection on each transaction	None

(1) including all fees excluding transaction fees, outperformance commissions and fees related to investments in UCITS or investment funds.

No transaction commission will be charged to the Fund.

**Accounting currency**

The UCITS' accounting is carried out in Euros.

**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None

- Future change: None

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

- Occurred change:

- on 6 June 2011 the MSCI EMERGING MARKETS™ index has changed name to become MSCI EMERGING MARKETS Net Total Return.

- 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**

	<b>29.07.2011</b>	<b>30.07.2010</b>
Currency	EUR	EUR
<b>Net assets at the start of the fiscal year</b>	<b>889 976 229,25</b>	<b>333 965 739,49</b>
Subscriptions (including subscription commission acquired by the UCITS)	722 868 153,86	729 538 144,26
Redemptions (less the redemption commission acquired by the UCITS)	-505 285 660,00	-328 534 426,33
Capital gains generated on deposits and financial instruments	317 182 187,57	199 696 439,78
Capital losses generated on deposits and financial instruments	-262 223 966,98	-179 400 884,19
Capital gains generated on future financial instruments	2 024 058 214,40	824 898 758,37
Capital losses generated on future financial instruments	-2 046 793 736,74	-717 152 691,78
Negotiation fees	-	-
Exchange differentials	9 844 756,61	15 533 294,58
Changes to the estimate difference of the deposits and financial instruments:		
- <i>Estimate difference fiscal year N</i>	-48 851 816,12	10 409 502,24
- <i>Estimate difference fiscal year N-1</i>	-18 942 525,59	29 909 290,53
	29 909 290,53	19 499 788,29
Changes to the estimate difference of future financial instruments:		
- <i>Estimate difference fiscal year N</i>	30 263 878,84	207 824,68
- <i>Estimate difference fiscal year N-1</i>	34 152 515,12	3 888 636,28
	3 888 636,28	3 680 811,60
Distribution from the previous fiscal year	-	-
Net earnings of the fiscal year before adjustment account	3 478 585,34	4 859 494,54
Advance(s) paid during the fiscal year	-5 853 030,79	-4 044 966,39
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>1 128 663 795,24</b>	<b>889 976 229,25</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	-	-	-	-

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**LYXOR ETF MSCI EMERGING MARKETS\* (\*This is a synthetic ETF)**

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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	-	-	- 1 016 784 423,39	-
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	-	-	-	-
<b>Liabilities</b>				
Temporary operations on securities	-	-	-	-
Financial accounts	-	-	-	0,02
<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	-	-	-	-	-
<b>Liabilities</b>					
Temporary operations on securities	-	-	-	-	-
Financial accounts	0,02	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-		-	1 016 784 423,39

**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	USD	JPY	NOK	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	98 733 472,51	66 857 090,11	4 537 850,18	6 829 874,23
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>135 482 903,26</b>
Future currency exchange operations	
Future purchases of currency	-
Total negotiated amount of future currency sales	-
Other receivables:	
Deferred settlement sales	135 482 903,26
-	-
-	-
-	-
-	-
Other operations	-
<b>Debts</b>	<b>136 074 672,69</b>
Future currency exchange operations	
Future sales of currency	-
Total negotiated amount of future currency purchases	-
Other debts:	
Deferred settlements purchases	135 482 903,26
Provisioned costs	591 769,43
-	-
-	-
-	-
Other operations	-

**3.6 Shareholders' equity**

Number of units issued/redeemed during the fiscal year:	Subscriptions		Redemptions	
	Number of units	Amount	Number of units	Amount
UNIT D-EUR / FR0010429068	83 355 000	689 895 381,00	62 400 000	505 285 660,00
UNIT D-USD / FR0010435297	3 979 087	32 972 772,86	-	-
Subscription / redemption commission by share category:		Amount		Amount
UNIT D-EUR / FR0010429068		-		-
UNIT D-USD / FR0010435297		-		-
Remittances by share category:		Amount		Amount
UNIT D-EUR / FR0010429068		-		-
UNIT D-USD / FR0010435297		-		-
Commissions acquired by the UCITS by share category:		Amount		Amount
UNIT D-EUR / FR0010429068		-		-
UNIT D-USD / FR0010435297		-		-

**3.7 Management fees**

Operating and management fees (fixed fees) as % of the average net assets:	<b>%</b>
Share category:	
UNIT D-EUR / FR0010429068	<b>0,65</b>
UNIT D-USD / FR0010435297	<b>0,65</b>
Performance commissions (variable fees): amount of costs for the year	<b>Amount</b>
Share category:	
UNIT D-EUR / FR0010429068	-
UNIT D-USD / 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 .....	<b>None</b>
3.8.2 Description of the other commitments received and/or given .....	<b>None</b>

### 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	
- UCITS securities	-
- Swap	<b>34 152 515,12</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
13.09.2010	D-EUR	5 579 056,25	0,05	-	-
13.09.2010	D-USD	273 974,54	0,047	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>Total advances</b>		<b>5 853 030,79</b>	<b>0,097</b>	-	-

**LYXOR ETF MSCI EMERGING MARKETS\* (\*This is a synthetic ETF)**

	29.07.2011	30.07.2010
<b>Allocation of the profit/loss</b>	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Adjustment of carried forward	-	-
Earnings	-1 529 519,97	712 257,30
<b>Total</b>	<b>-1 529 519,97</b>	<b>712 257,30</b>

UNIT D-EUR / FR0010429068	29.07.2011	30.07.2010
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-1 452 846,36	669 752,53
<b>Total</b>	<b>-1 452 846,36</b>	<b>669 752,53</b>
<b>Information relative to the units and resulting in a distribution right</b>		
Number of circulating units	-	110 576 125,00
Distribution per unit	-	0,07
<b>Tax credits</b>	-	-

**LYXOR ETF MSCI EMERGING MARKETS\* (\*This is a synthetic ETF)**

UNIT D-USD / FR0010435297	29.07.2011	30.07.2010
Currency	EUR	EUR
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-76 673,61	42 504,77
<b>Total</b>	<b>-76 673,61</b>	<b>42 504,77</b>
<b>Information relative to the units and resulting in a distribution right</b>		
Number of circulating units	-	5 486 000,00
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 D-EUR: 18 April 2007; Units D-USD: 24 April 2007.*

UCITS currency

EUR	29.07.2011	30.07.2010	31.07.2009	31.07.2008	-
<b>Net assets</b>	<b>1 128 663 795,24</b>	889 976 229,25	333 965 739,49	115 127 537,60	-

**LYXOR ETF MSCI EMERGING MARKETS\* (\*This is a synthetic ETF)**

UNIT D-EUR / FR0010429068		Currency of the UNIT and of the NAV: EUR			
	29.07.2011	30.07.2010	31.07.2009	31.07.2008	-
<b>Number of circulating units</b>	<b>131 531 125,00</b>	110 576 125,00	50 706 125,00	15 028 586,00	-
<b>Net asset value</b>	<b>8,0036</b>	7,66	6,02	6,79	-
<b>Unit distribution (including advances)*</b>	<b>0,05</b>	0,07	-	0,13	-
<b>Unit tax credit transferred to unit holders (natural persons)<sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalization</b>	<b>-0,01</b>	0,006	-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.

UNIT D-USD / FR0010435297		Currency of the UNIT and of the NAV: USD			
	29.07.2011	30.07.2010	31.07.2009	31.07.2008	-
<b>Number of circulating units</b>	<b>9 465 087,00</b>	5 486 000,00	4 735 000,00	1 910 000,00	-
<b>Net asset value</b>	<b>11,5285</b>	10,01	8,55	10,57	-
<b>Unit distribution (including advances)*</b>	<b>0,05</b>	***0,07	-	**0,13	-
<b>Unit tax credit transferred to unit holders (natural persons)<sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalization *</b>	<b>-0,008</b>	0,007	-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.

\*\*\*\* The amount of the unit dividend stems from the conversion of the dividend paid in USD of USD 0.06, and converted into euros with the WM Reuters EUR/USD fixing on 13 September 2010 at 1.28965.

4. UCITS inventory

appendix

Security code	Name	Stock status	Quantity	Stock market value	Listing currency	% Assets
LYXOR ETF MSCI EMERGING MARKETS						
Investment Securities						
Equity						
DE0120000000	ROCHE HOLDING AG - DIVIDEND RIGHT CERTIFICAT	OWN SPECIFIC	3 894.00	461 811.15	CHF	0.54
DE0000470004	HEIDELBERGCEMENT AG	OWN SPECIFIC	27 936.00	1 038 439.20	EUR	0.13
DE0001794000	VOUGHEREN AG	OWN SPECIFIC	160 373.00	26 478 832.10	EUR	1.62
FR0000070776	CEMENTIS YCALIT SA	OWN SPECIFIC	179.00	8 279.30	EUR	0.00
FR0000481188	TELECOM ITALIA SPA	OWN SPECIFIC	3 265 164.00	3 478 471.45	EUR	0.31
JP3884000007	KDDI CORP	OWN SPECIFIC	891.00	5 110 263.54	JPY	0.45
NL0000009102	AKZO NOBEL NV OVA	OWN SPECIFIC	132 270.00	7 298 478.26	EUR	0.64
FR0000020795	DELACHAUX S.A.	OWN SPECIFIC	128 879.00	10 292 218.75	EUR	0.90
CH0000004519	SWISSCOM N	OWN SPECIFIC	8 293.00	2 108 505.96	CHF	0.19
DE0000000207	MAN AG	OWN SPECIFIC	4 671.00	263 832.04	EUR	0.03
DE0002707503	METRO	OWN SPECIFIC	10 307.00	267 162.20	EUR	0.04
DE0000001111	BAW AG	OWN SPECIFIC	837 717.00	52 895 488.74	EUR	4.69
FR0000000681	NORSA DIV	OWN SPECIFIC	1 133 520.00	4 897 557.12	EUR	0.41
DE0001400000	SOGENO	OWN SPECIFIC	3 003.00	164 856.90	EUR	0.02
FR0000121220	ENXORIE OUF OF	OWN SPECIFIC	216.00	3 548.37	EUR	0.00
DE0000010181	AGORA NY	OWN SPECIFIC	8 488 323.00	7 875 737.86	EUR	0.75
DE0000796200	FRESENIUS MEDICAL CARE AG & CO	OWN SPECIFIC	16 128.00	805 561.04	EUR	0.06
DE0001728101	SIEMENS AG-NOM	OWN SPECIFIC	680 728.00	61 022 235.44	EUR	5.41
DE0000000008	DEUTSCHE BOURSE AG-NOM	OWN SPECIFIC	102 703.00	5 228 962.24	EUR	0.48
FR0000121014	TELEFONICA SA	OWN SPECIFIC	3 334 643.00	61 183 791.95	EUR	5.42
DE0001796214	LVM MOET HENNESSY LOUIS VUITTON	OWN SPECIFIC	64 445.00	8 240 737.75	EUR	0.73
DE0000000004	DEUTSCHE POST AG-NOM	OWN SPECIFIC	2 238 732.00	4 141 654.20	EUR	0.37
SAP AG	SAP AG	OWN SPECIFIC	1 508 937.00	18 388 483.84	EUR	1.69
DE0001764600	REDFOX NV SA	OWN SPECIFIC	1 413 648.00	61 694 275.17	EUR	5.47
ES0172518115	LANCREDIT SPA	OWN SPECIFIC	688 212.00	11 291 794.20	EUR	1.24
JP3880000004	SONY CORP	OWN SPECIFIC	6 280 732.00	7 508 415.00	EUR	0.70
JP3881400008	ROUCH COMPANY LTD	OWN SPECIFIC	288 000.00	3 516 573.49	JPY	0.31
DE0000790167	AHNEUBER-BLUGH INBEV	OWN SPECIFIC	10 177.00	118 528.54	JPY	0.01
DE0000000000	RECOSSORF	OWN SPECIFIC	848 203.00	28 117 762.00	EUR	3.36
DE0002162000	K.B.S AG	OWN SPECIFIC	263 543.00	9 148 098.42	EUR	0.81
ES0173000115	Real Estate Corporation, SA	OWN SPECIFIC	107 620.00	107 620.00	EUR	0.00
FR0000020304	ELESTEL COMMUNICATIONS	OWN SPECIFIC	709 871.00	26 888 367.49	EUR	2.30
FR0001154118	ENI SPA	OWN SPECIFIC	50 668.00	2 704 564.43	EUR	0.26
JP3880000000	ALL NIPPON AIRWAYS	OWN SPECIFIC	588 921.00	8 838 823.78	EUR	0.79
JP3880000000		OWN SPECIFIC	1 779 263.00	4 186 612.52	JPY	0.37

LYXOR ETF MSCI EMERGING MARKETS\* (\*This is a synthetic ETF)

Security code	Name	Stock status	Quantity	Stock market value	Listing currency	% Assets
JPMH430007	AUTELIAS PHARMIA INC	OWN SPECIFIC	538 374.50	3 376 862.45	JPY	0.35
JPMH430008	MITSUBI & CO LTD	OWN SPECIFIC	321 376.50	4 348 864.31	JPY	0.36
DE0005180003	BAYERSCHER MOTORFABRIK	OWN SPECIFIC	332 846.20	23 069 867.23	EUR	2.36
DE0007110000	GAMLER	OWN SPECIFIC	799 892.00	45 526 868.32	EUR	3.58
ES0116080115	MOTREX	OWN SPECIFIC	106 471.20	13 363 878.14	EUR	1.38
FR0010290408	GEP BLUET	OWN SPECIFIC	320 242.30	7 509 879.29	EUR	0.77
JPMH43000000	KEVIN L HOLDINGS CO LTD	OWN SPECIFIC	142 318.20	2 816 884.14	JPY	0.29
NL0000020200	KNONNALLE AHOOLD NV	OWN SPECIFIC	148 738.20	1 375 827.20	EUR	0.13
DE0004070000	ADIDAS NAG	OWN SPECIFIC	123 497.20	16 068 886.53	EUR	0.88
FR0000102805	PERNOD RICARD	OWN SPECIFIC	8 863.20	75 522.21	JPY	0.21
JPMH43000007	JEKAT CORPORATION	OWN SPECIFIC	17 948.10	168 848.16	JPY	0.17
JPMH43000008	AMPPON ELECTRIC GLASS	OWN SPECIFIC	114 819.30	4 537 860.18	NOX	0.46
NO0010200011	YAMAHA INTERNATIONAL ASIA	OWN SPECIFIC	1 292 328.20	7 788 421.20	NOX	0.88
PTPTFC00000009	PT TELKOM BOPIS N	OWN SPECIFIC	508 167.00	11 969 303.44	EUR	0.98
LU0327110006	APOLLOHETAL SA	OWN SPECIFIC	41 865.20	4 643 812.37	JPY	0.47
JPMH43000007	MINTENDO CO LTD	OWN SPECIFIC	667 046.20	38 021 428.32	EUR	5.32
DE0000040008	ALLIANZ SE NAG	OWN SPECIFIC	426 191.00	35 820 845.51	EUR	3.17
FR0000102013	LOREAL	OWN SPECIFIC	3 864.20	4 919 865.90	EUR	0.44
JPMH43000007	NET DOCCOMO INC	OWN SPECIFIC	32 954.20	363 873.20	JPY	0.38
JPMH43000008	TOYOTA MOTOR CORP	OWN SPECIFIC	32 954.20	473 814.34	EUR	0.54
NL0000000003	HOLTBEL HOLLER OVA	OWN SPECIFIC	8 102 022.20	87 543 841.34	USD	5.35
LU0000000008	BRUNNENF RETAIL SP ADR	OWN SPECIFIC	798 049.20	43 326 880.21	EUR	3.84
DE0000000000	BRUNNEN AG	OWN SPECIFIC	85 277.20	6 327 754.21	JPY	0.38
FR0000102013	SAHOFI	OWN SPECIFIC	9 884.00	9 336.14	JPY	0.10
JPMH43000008	KYOCERA CORP	OWN SPECIFIC	224 322.20	4 268 824.85	JPY	0.38
JPMH43000001	MITSUBISHI CORPORATION	OWN SPECIFIC	8 277.20	175 343.10	JPY	0.22
JPMH43000008	DENTSU INC	OWN SPECIFIC	1 714 898.20	4 018 844.03	JPY	0.38
JPMH43000003	NIPPON STEEL CORP	OWN SPECIFIC	22 933.00	260 737.03	EUR	0.23
FR0010200100	ATLANTA SPA	OWN SPECIFIC	2 819 482.20	18 363 822.12	EUR	1.42
ES0114080114	IMP PWRBAS	OWN SPECIFIC	48 254.20	20 134 826.33	EUR	1.62
JPMH43000005	SUMITOMO METAL MANGO CO LTD	OWN SPECIFIC	36 538.00	418 841.15	JPY	0.34
JPMH43000005	MITSUBISHI ESTATE CO LTD	OWN SPECIFIC	442 438.20	8 520 413.44	JPY	0.49
US0010200002	TALMONT SP ADR ADR	OWN SPECIFIC	802 895.30	23 367 864.31	USD	2.36
NL0000000004	VTB BANK (US) GER BEB S	OWN SPECIFIC	4 460 000.00	18 420 306.86	USD	1.83
NL0000000004	HENDEREN NV	OWN SPECIFIC	11 168.20	463 828.62	EUR	0.34
JPMH43000008	SOFINABA CORP	OWN SPECIFIC	95 473.20	4 488 668.74	JPY	0.46
FR0000000007	KONAR CORP	OWN SPECIFIC	169 282.20	3 015 367.20	JPY	0.27
FR0000000007	TOOS SPA	OWN SPECIFIC	1 223.20	114 167.05	EUR	0.11
NL0000000007	SVENSKA PÄNDELIGSKAPEN A	OWN SPECIFIC	28 836.20	570 689.26	SEK	0.38
NL0000000007	HENDEREN HOLDING NV	OWN SPECIFIC	5 417.20	132 080.27	EUR	0.22
JPMH43000008	FAST RETAILING	OWN SPECIFIC	7 824.00	869 268.88	JPY	0.38
JPMH43000003	TAKASHIMAYA CO LTD	OWN SPECIFIC	26 181.00	137 367.38	JPY	0.11
JPMH43000000	CIJLEN HOLDING SHS	OWN SPECIFIC	12 872.20	30 488.62	JPY	0.20
JPMH43000004	MITSUBISHI UFJ FINANCIAL GROUP	OWN SPECIFIC	37 263.20	131 475.90	JPY	0.21
DE0000000008	DEUTSCHE BANK ADR NAG	OWN SPECIFIC	328 287.00	13 650 815.24	EUR	1.36
DE0000020128	RWE AG	OWN SPECIFIC	868 763.20	20 793 251.14	EUR	1.84

LYXOR ETF MSCI EMERGING MARKETS\* (\*This is a synthetic ETF)

Security code	Name	Stock status	Quantity	Stock market value	Listing currency	% Assets
DE3208262064	CHANGKOM-BANK	OWNS SPECIFIC	1 882 882.26	2 762 887.22	EUR	0.26
FR00001520711	TOTAL	OWNS SPECIFIC	208 796.26	8 521 387.26	EUR	0.86
JP20121400008	ADVA NTEST	OWNS SPECIFIC	17 891.08	251 119.08	JPY	0.26
JP20111400008	TOYO BIKARI KAISHA	OWNS SPECIFIC	28 862.26	485 872.18	JPY	0.26
NL00000900009	UNILEVER CIA	OWNS SPECIFIC	17 892.26	2 281 073.26	EUR	0.19
FR00000200200	NORDEA BANK FOR	OWNS SPECIFIC	128 428.26	1 221 818.26	EUR	0.26
CH03084831260	NETLIFE SA	OWNS SPECIFIC	8 852.26	400 615.81	CHF	0.26
DE30000721004	INFINEON TECHNOLOGIES AG-NOM	OWNS SPECIFIC	583 414.26	3 867 381.96	EUR	0.33
DE30027946428	VOLKSWAGEN AG PFD	OWNS SPECIFIC	147 812.26	25 812 283.45	EUR	1.82
BE11400801117	ORANGE SA	OWNS SPECIFIC	13 863.26	285 168.65	EUR	0.26
FR00001201122	CHARENTAIS LAINE SA	OWNS SPECIFIC	760 848.26	15 969 269.45	EUR	1.26
FR00002177711	GARRETT SA	OWNS SPECIFIC	481 561.26	7 209 224.21	EUR	0.86
BE00001971900	VIVENDI	OWNS SPECIFIC	328 814.26	3 288 887.15	EUR	0.26
FR00001400000	CASTELLUM	OWNS SPECIFIC	8 852.26	209 686.96	EUR	0.26
FR00001200001	PULFUM HOLDINGS COMP	OWNS SPECIFIC	52 214.26	1 885 482.22	JPY	0.17
FR00001012811	SHANGHAI CHEMICAL CO LTD	OWNS SPECIFIC	141 928.26	8 278 382.56	EUR	0.75
DE32080412027	MOEHLIN FOODS SA	OWNS SPECIFIC	1 881 828.26	58 273 887.85	EUR	3.26
	MAIFER AG		1 098 103 668.87	1 098 103 668.87		87.01
	Total Equity					
	Total Investment Securities					
	Interest rate swap					
FR00000000000	OTHER @ 30000	OWNS SPECIFIC	1 000 000 210.76	24 182 818.12	EUR	3.06
	Total Interest rate swap			24 182 818.12		3.06
	Cash					
	AT BANK OR PENDING					
	EUR SGP bank	OWNS SPECIFIC		-0.22	EUR	-0.26
	Def. purchases EUR securities	OWNS SPECIFIC		-138 482 882.26	EUR	-12.26
	Def. sales EUR securities	OWNS SPECIFIC		138 482 882.26	EUR	12.26
	Total AT BANK OR PENDING			-0.22		-0.26
	MANAGEMENT FEES					
	Pro-Growth	OWNS SPECIFIC		-801 788.43	EUR	-0.26
	Total MANAGEMENT FEES			-801 788.43		-0.26
	Total Cash			-801 788.43		-0.26
	Total LYXOR ETF MSCI EMERGING MARKETS			1 128 882 195.24		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: 29.07.2011  
 UCITS management commission 0.65 % tax included  
 Average fortune of the Fund  
 for the period (from 01/08/10 to 29/07/11) 1 203 682 313.07

Expenses in thousands of euros	Annual report 01/08/2010	Half-yearly report 29/01/2011	Annual report 29/07/2011
UCITS management commission	4 562 352.31	3 756 922.09	7 790 674.81
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	4 562 352.31	3 756 922.09	7 790 674.81

**Calculation of the TER (Total Expense Ratios) for 12 months, from 01.08.10 to 29.07.11:**

TER including bonus depending on the performance

$$(7790674.81/1203682313.07)*100$$

TER                      0.65                      %

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**LYXOR ETF MSCI EMERGING MARKETS\* (\*This is a synthetic ETF)**

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Calculation of the PTR (Portfolio Turnover Rate) from 08.08.10 to 29.07.11:

<u>PTR</u>	<b>2 200.40</b>	%
Purchases and sales of securities	27 713 925 475.61	
Issues and redemptions of fund units	1 228 153 813.86	
Net average fortune	1 203 682 313.07	

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:

	<b>Annual performance from 30/07/2010 to 29/07/2011</b>	<b>Performance since inception on 29/07/2011</b>
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**LYXOR ETF MSCI EMERGING MARKETS**

Unit D-EUR	+4.39%	+11.01%
Unit D-USD	+15.14%	+17.52%

**MCSI EMERGING MARKETS™ (USD)**

Unit D-EUR	+15.38%	+16.93%
Unit D-USD	+15.38%	+16.64%

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:

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Name of company	Aggregate value of purchases & sales of securities	% of the Fund's total transactions	% of the Fund's total commission paid in the year	Average rate of commission
EUR				
From July 30, 2010 to July 29, 2011				
Société Générale	27 722 471 009.90	100%	0	0

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##### 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 4.39% up for shares D-EUR from 30/07/2011 to 29/07/2011 and is 15.14 %up for shares D-USD from 30/07/2011 to 29/07/2011 on the relevant (fiscal) period.

On the period from 30/07/2011 to 29/07/2011, the MSCI EMERGING MARKETS™ INDEX returned a performance equal to +15.38 %.

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