

Protect your portfolio

Lyxor's Problem Solvers

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No time for complacency

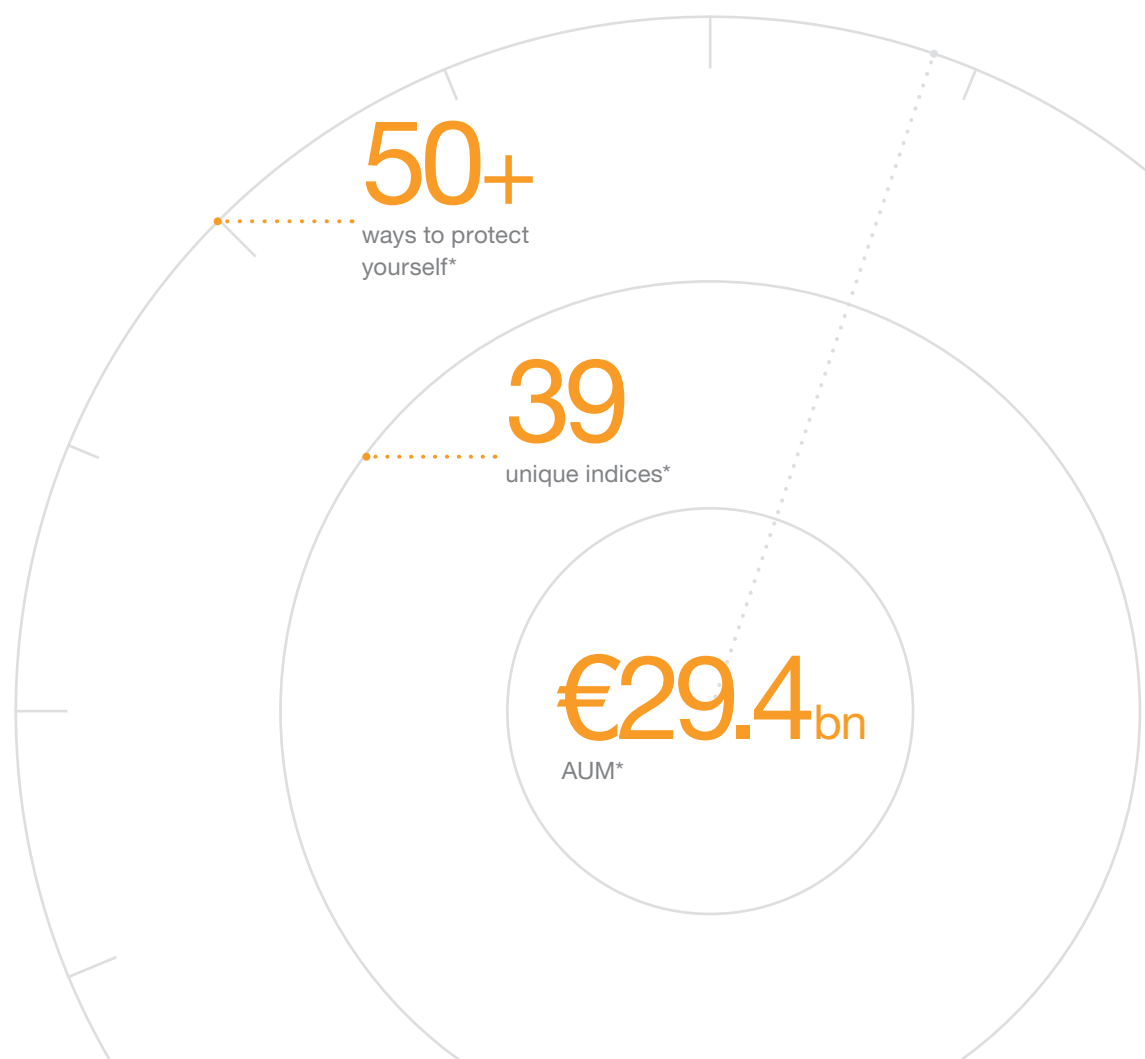
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Travel prepared

There's no time for complacency in today's investment markets. Quantitative easing exits, rising rates, inflation and market volatility are just a few of the potential issues clouding the horizon. Very little is certain. Investors have to make sure they are fully equipped for any dangers that lie ahead.

Whatever your goals and wherever your investment journey takes you, you have to ensure you've taken all the necessary precautions. Our 50+ problem solvers offer you a choice of specific solutions to today's challenges, and do so simply and cost-effectively.

Safety in numbers



*Source: Lyxor International Asset Management, as at 30 January 2018. AUM figure includes total fund assets of currency hedged exposures.

Choose a well equipped guide

Any lengthy journey requires the right guide and the right preparation. As one of Europe's oldest and largest ETF providers, we have your long-term interests at heart. We've long made it our mission to solve more problems for investors than anyone else can.

Our highly experienced and dedicated professionals have pieced our problem solvers together over several years to create a range of unique and groundbreaking solutions. All of them cleave to the standards set in our quality charter and, thanks to our experience, scale and platform capabilities, they won't cost the earth. In fact, with TERs starting from just 0.05%, buying insurance has never been so painless.





Shelter from rising rates



Interest rates have been incredibly low for a long time, but change could be on the horizon. It's no longer a question of if, but when.

Rates are unlikely to rise sharply, but you can't rule out some nasty surprises. It could be time to consider taking some simple steps to protect your portfolio.

Short-dated bonds

Short-dated government bonds – typically with maturities of less than three years – have long been the conventional way for investors to shelter from rising rates. Their shorter time to maturity means they are less affected by interest rate rises, and they tend to come with very limited credit risk. Short-dated bonds keep volatility to a minimum too.

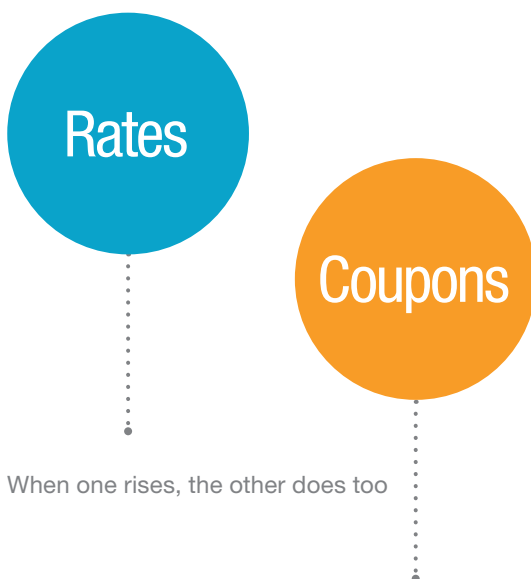
Our far-reaching range covers Europe, the US and the UK, with TERs starting from just 0.07%. You can choose from traditional market-weighted indices, or go a step further with our European Highest Rated Macro Weighted indices. This guide is however designed to take you down some less well-trodden, but potentially more effective, paths to protection.

Floating Rate Notes (FRNs)

Some journeys are more arduous so they require something more innovative, which is where our range of Floating Rate Note ETFs come in. Think of them as corporate bonds and then some. FRNs pay a fixed capital amount at maturity, along with a coupon at regular intervals. Coupons are linked to interest rates, rising as rates do, so they protect yield in a way traditional bonds simply can't. When the going gets tough, these ETFs get going.

You can choose from \$ and €-denominated exposures and access to investment-grade corporate issuers with coupons linked to 3-month Libor and 3-month Euribor respectively. Little volatility and a higher yield mean they could be an attractive alternative to hiding your cash in the bank, for very little more money. Our TERs start from just 0.10%*.

Floating Rate Notes



€1.2bn in assets*



Protection

Shelter from interest rate risk with Floating Rate Notes



Low cost

TERs from just 0.10%, among the cheapest in the market*



Currency hedged

Currency hedged share classes available



Accomplished

Over 3 years of track record in Floating Rate Note ETFs*

Ride rising inflation



Long dormant, inflation shows signs of stirring almost everywhere. Central banks may finally have achieved one of their major targets. Yet their “success” is a double-edged sword.

Inflation poses a threat to bond investors because it erodes the purchasing power of their securities' fixed coupon payments. It could be time to consider using ETFs built specifically to counter this threat. Our range of inflation strategies is the most complete you can find in Europe.

Inflation-linked government bonds

As the simplest direct route to inflation protection, “linkers” are familiar to most bond investors. They are similar to traditional government bonds, but the coupon and principal rise and fall in line with inflation. Most come with a deflation floor, so if inflation falls dramatically, you still receive the full par amount at maturity. It's important to note, however, that the principal on UK inflation-linked bonds is not protected.

We've been running inflation-linked ETFs for more than 12 years, and manage more than €1.4bn across our physical European, US and UK range. With TERs as low as 0.07%, protecting yourself against inflation has never been cheaper.*

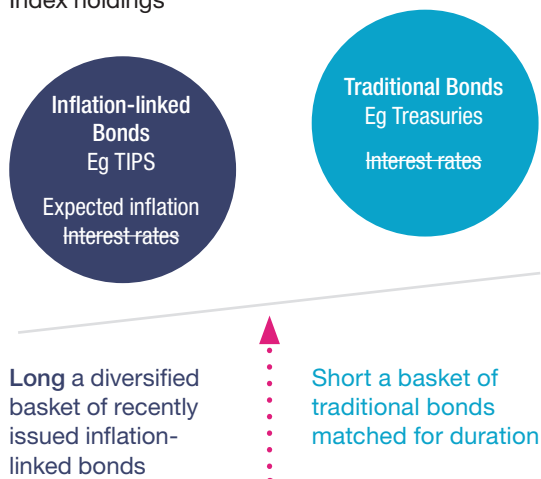
Inflation expectations

For all their ability to ride inflation, linkers remain vulnerable to rising rates, so if you're preparing for the dual threat of rising rates and inflation you need something innovative. Step forward inflation expectations ETFs.

They work by investing in a long leg of linkers, and a short leg of nominal bonds matched for duration. The resulting portfolio has near-zero duration, meaning rates should have virtually no impact on performance. Our unique range means you can effectively isolate your exposure to rising (or falling) inflation expectations in the US, Europe and UK*.

Inflation expectations – a careful balancing of exposures leading to a targeted result

Index holdings



Exposure



Duration target = zero

€3.2bn in assets*



Far-reaching

The widest inflation range in Europe, with 6 exposures covering the US, Europe and the UK



First

The first and only inflation expectations ETFs in Europe*



Low cost

The cheapest US TIPS and UK linkers ETFs on the market at just 0.07%*



Protection

From traditional linkers to innovative inflation expectations strategies that help protect against rising rates

*These strategies are a proxy for the inflation break-even rate; performance will generally deviate from the true break-even rate. All data: Lyxor International Asset Management, 30 January 2018 unless otherwise stated.

Reduce volatility



Although volatility hasn't been evident for quite some time, it's still a threat that can't be ignored.

Central banks are finally changing direction, meaning your terrain could soon become more treacherous and your visibility more limited. That's when you need a portfolio capable of handling the pressure and pinpointing the risks worth taking.

Traditional low volatility strategies tend to concentrate on the least volatile stocks, countries and sectors. Such crowding leaves investors poorly diversified and vulnerable to changes in the market.

Minimum variance strategies

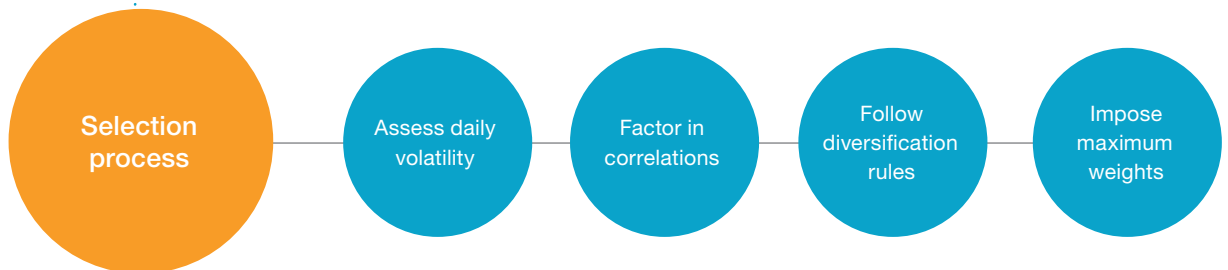
At Lyxor, we go our own way. We avoid the crowds and seek out the indices capable of providing the most effective solution. Our FTSE Russell Minimum Variance indices spread risk wider by investing in many more stocks to create more stable portfolios capable of riding out any storm. In fact, you'll find we've imposed some of the strictest quality controls in the industry to minimise your vulnerability to volatility.

You can choose between Europe, the Eurozone, the US, Emerging and All-World markets. And, with TERs from just 0.20%, you'll know you can take any obstacle in your stride.*

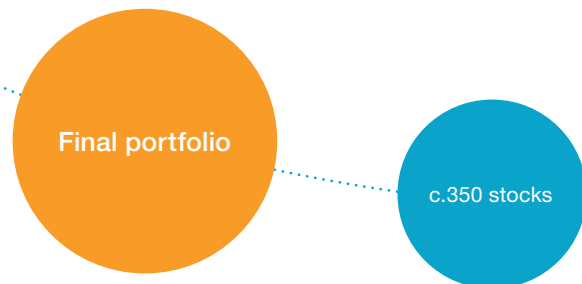
Starting universe – Europe example



Selection process



Final portfolio



Quality
Retains 55-70% of original universe of stocks*



Low cost
TERs starting at just 0.20%**



Reduce risk
No single stock weights greater than 1.5%, and no sector more than 20%



Far reaching
Five unique exposures across European, EMU, US, Emerging and All-world markets**

Guard against currency moves



Currencies fluctuate as macro-economic events like rate rises, economic data releases or geopolitical incidents occur.

No one knows what will happen when the era of QE comes to an end, but if you are venturing overseas, it's safe to say you should be considering how currency movements could make a dent in your income or your profits.

Currency hedged ETFs use strategies such as currency forwards or options to mitigate FX movements and the impact they can have on a portfolio. In general they work like conventional ETFs, but use currency contracts to lock in the exchange rate – often rebalancing daily or monthly.



These ETFs are an insurance policy against the possibility of a greater loss.



Currency hedged ETFs

We've kept a weather eye on the covert or otherwise currency wars of recent years, expanding our range all the while. We now offer over a dozen products built to help protect your investment from movements on the foreign exchanges. Yes – they cost a little extra than your standard ETF, but in effect they are an insurance policy against the possibility of a greater loss. The incremental TER can be dwarfed by the peace of mind you receive.

Our currency hedged exposures span equities and fixed income, with GBP, USD, EUR and CHF hedging available. With 17 years of experience, and €21.8bn in total fund assets, look no further than Lyxor for a trusted partner for FX protection.

€21.8bn in assets*



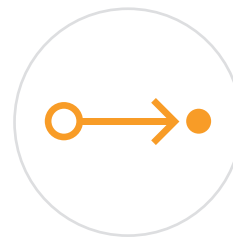
Protection

19 ways to protect against currency movements across equities and fixed income



Pragmatic

A pragmatic approach to choosing hedging frequency, either daily or monthly



Simplicity

Simple hedging mechanism embedded in the product



Far reaching

GBP, USD, EUR, and CHF hedged exposures available

How currency impact can weigh on our returns

Without
currency hedging

With
currency hedging

Performance of the
index denominated
in GBP

Impact of declining
forex offset by
currency hedging

Performance
of the EUR/GBP
forex

When the
EUR/GBP
goes down

Make your cash work harder



Shelter is harder to find these days. Years of negative-to-low interest rates have hurt investors seeking shelter in cash and their money managers alike.

Euro cash managers in particular have had to take more credit risk, expose themselves to peripheral debt and lengthen the maturity of their holdings to try to provide the returns and security their investors expect.

Now, their positions could be exposed if conditions change and central banks alter their path. Yet there are routes you can take to keep your journey on the straight and narrow.



Smart Cash ETFs could help keep your cash portfolio on track.



Smart cash strategies

Our unique range of \$, € and £ Smart Cash ETFs aim to outperform overnight interest rates in their respective markets by using short-term, collateralised loans. Each is designed to improve cash returns without adding credit or duration risk – all for TERs from just 0.05%. And because we've been running cash strategies for over a decade, you can rest assured there won't be any collateral damage.

€1.3bn in assets*



Far reaching

Cash exposures across Euro, USD and GBP exposures



Performance

Innovative Smart Cash strategy can increase cash returns without increasing credit or duration risk



Low cost

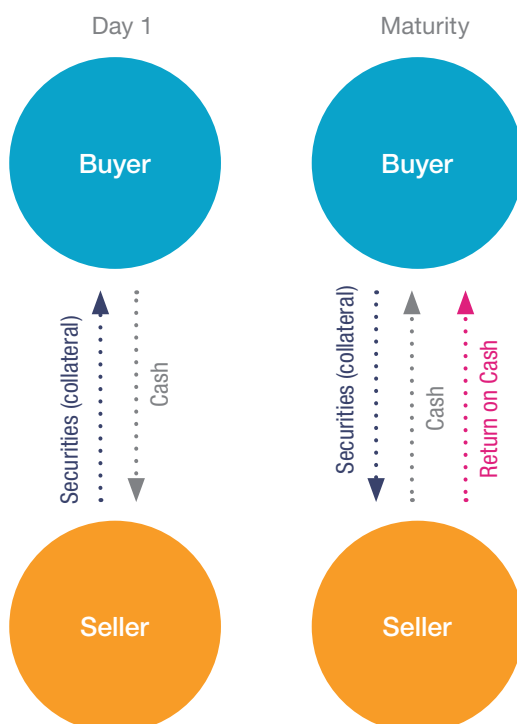
Low cost exposures with TERs starting at just 0.05%



Accomplished

Over 10 years of track record in cash ETFs

How one simple process enhances returns



Keep on track with short funds



Even if you know your investment terrain well, conditions can change quickly. Keeping an eye on the forecast matters.

Should you believe trouble lies ahead, you may occasionally need some sophisticated short cuts to keep your portfolios on track. We can help you protect against (or profit from) market falls with short ETFs. However, if markets rise, your capital is at risk.

You'll need to be aware of compounding, which is the process by which daily gains or losses are taken into account when calculating the next day's returns. Over time, this means the ETF may not truly reflect the underlying index, which is known as slippage.



Short ETFs could help you evade, or exploit, market falls.



Short equity and bond ETFs

You can choose to go single or double short with our ETFs. Single short gives you the inverse daily performance of the underlying indices. For instance, if an index falls by 3% on any given day, the ETF will gain 3%. For the adventurer, double short ETFs ramp up the risk and potential profit – or enable you to protect yourself for half of the capital outlay. They offer twice the inverse daily performance of their benchmark. In the same example then, an index fall of 3% on any given day would lead to an ETF gain of 6%. Bear in mind neither of these strategies should be considered as long-term, strategic holdings.

With a track record lasting more than 11 years and €2.8bn in assets covering European and US markets, we are your short cut to tactical hedging all over the world. And, because all of our funds are UCITS compliant, you don't risk losing more than you invest – a promise other providers can't make.

€2.8bn in assets*



Reduce risk
Hedge yourself against potential market falls



Manage market falls
17 ways to go single or double short across equities and fixed income

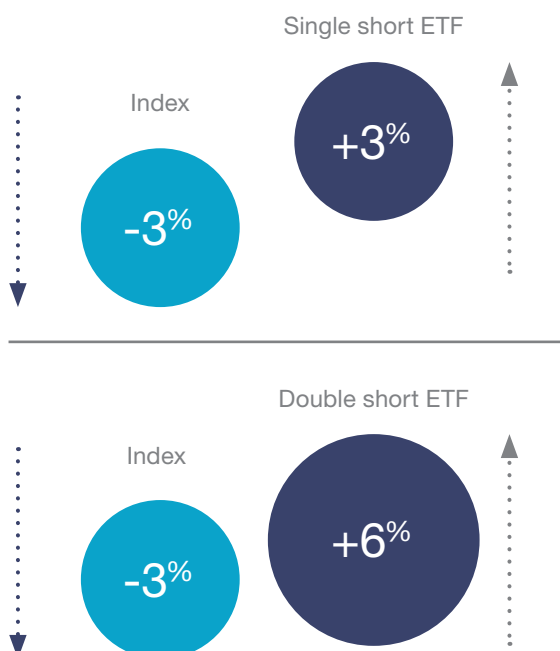


Far reaching
Exposures covering Europe and the US



Compliant
UCITS funds with no risk of losing more than you invest

Daily performance before fees



Lyxor's problem solvers

ETF Name	TER	Asset Class	Region	CH*
Inflation				
Lyxor FTSE Actuaries UK Gilts Inflation-Linked (DR) UCITS ETF	0.07	Fixed Income	U.K.	
Lyxor UK£ 10Y Inflation Expectations UCITS ETF	0.25	Fixed Income	U.K.	
Lyxor EUR 2-10Y Inflation Expectations UCITS ETF	0.25	Fixed Income	Eurozone	✓
Lyxor EuroMTS Inflation Linked Investment Grade (DR) UCITS ETF	0.2	Fixed Income	Eurozone	✓
Lyxor US\$ 10Y Inflation Expectations UCITS ETF	0.25	Fixed Income	U.S.	✓
Lyxor US TIPS (DR) UCITS ETF	0.09	Fixed Income	U.S.	
Minimum variance				
Lyxor FTSE Emerging Minimum Variance UCITS ETF	0.4	Equity	Emerging	
Lyxor FTSE Europe Minimum Variance UCITS ETF	0.2	Equity	Europe	
Lyxor FTSE EMU Minimum Variance UCITS ETF	0.2	Equity	Eurozone	
Lyxor FTSE USA Minimum Variance UCITS ETF	0.2	Equity	U.S.	
Lyxor FTSE All World Minimum Variance UCITS ETF	0.3	Equity	Global	
Floating rate notes				
Lyxor Barclays Floating Rate Euro 0-7Y UCITS ETF	0.15	Fixed Income	Eurozone	
Lyxor \$ Floating Rate Note UCITS ETF	0.1	Fixed Income	U.S.	✓
Short / double short				
Lyxor CAC 40 Daily (-2x) Inverse UCITS ETF	0.6	Equity	France	
Lyxor CAC 40 Daily (-1x) Inverse UCITS ETF	0.4	Equity	France	
Lyxor SMI Daily (-2x) Inverse UCITS ETF	0.6	Equity	Switzerland	
Lyxor FTSE MIB Daily (-2x) Inverse (Xbear) UCITS ETF	0.6	Equity	Italy	
Lyxor FTSE MIB Daily (-1x) Inverse (Bear) UCITS ETF	0.6	Equity	Italy	
Lyxor IBEX 35 Inverso Diario UCITS ETF	0.4	Equity	Spain	
Lyxor IBEX 35 Doble Inverso Diario UCITS ETF	0.6	Equity	Spain	
Lyxor Daily ShortDAX x2 UCITS ETF	0.6	Equity	Germany	✓
Lyxor EURO STOXX 50 Daily (-1x) Inverse UCITS ETF	0.4	Equity	Eurozone	
Lyxor EURO STOXX 50 Daily (-2x) Inverse UCITS ETF	0.6	Equity	Eurozone	
Lyxor S&P 500 Daily (-2x) Inverse UCITS ETF	0.6	Equity	U.S.	
Lyxor Bund Daily (-2x) Inverse UCITS ETF	0.2	Fixed Income	Germany	
Lyxor Bund Daily (-1x) Inverse UCITS ETF	0.15	Fixed Income	Germany	
Lyxor BTP Daily (-2x) Inverse UCITS ETF	0.4	Fixed Income	Italy	
Lyxor Bund Daily (-1x) Inverse UCITS ETF	0.4	Fixed Income	Italy	
Lyxor 10Y US Treasury Daily (-2x) Inverse UCITS ETF	0.2	Fixed Income	U.S.	
Lyxor 10Y US Treasury Daily (-1x) Inverse UCITS ETF	0.2	Fixed Income	U.S.	

ETF Name	TER	Asset Class	Region	CH*
Cash				
Lyxor Smart Cash GBP UCITS ETF	0.07	Fixed Income	U.K.	
Lyxor Euro Cash UCITS ETF	0.1	Fixed Income	Eurozone	
Lyxor Smart Cash EUR UCITS ETF	0.05	Fixed Income	Eurozone	
Lyxor Fed Funds US Dollar Cash UCITS ETF	0.1	Fixed Income	U.S.	
Lyxor Smart Cash USD UCITS ETF	0.12	Fixed Income	U.S.	
Currency hedged				
Lyxor FTSE 100 UCITS ETF	0.15	Equity	U.K.	
Lyxor STOXX Europe 600 (DR)	0.07	Equity	Europe	
Lyxor EURO STOXX 50 (DR) UCITS ETF	0.2	Equity	Eurozone	✓
Lyxor MSCI EMU (DR) UCITS ETF	0.25	Equity	Eurozone	✓
Lyxor EURO STOXX 300 (DR)	0.07	Equity	Eurozone	
LYXOR JAPAN (TOPIX) (DR) UCITS ETF	0.45	Equity	Japan	✓
Lyxor JPX-Nikkei 400 (DR) UCITS ETF	0.25	Equity	Japan	✓
Lyxor S&P 500 UCITS ETF	0.15	Equity	U.S.	✓
Lyxor MSCI World UCITS ETF	0.3	Equity	Global	✓
Lyxor SG Global Quality Income NTR UCITS ETF	0.45	Equity	Global	✓
LYXOR iBoxx \$ Liquid Emerging Markets Sovereigns UCITS ETF	0.3	Fixed Income	Emerging	✓
Lyxor iBoxx \$ Treasuries 10Y+ (DR) UCITS ETF	0.07	Fixed Income	U.S.	
Lyxor USD Liquid Investment Grade Corporate Bonds UCITS ETF	0.09	Fixed Income	U.S.	
Lyxor BofAML \$ High Yield Bond UCITS ETF	0.3	Fixed Income	U.S.	
Lyxor iBoxx \$ Treasuries 1-3Y (DR) UCITS ETF	0.07	Fixed Income	U.S.	✓
Lyxor BofAML \$ Short Term High Yield Bond UCITS ETF	0.3	Fixed Income	U.S.	
Lyxor US TIPS (DR) UCITS ETF	0.09	Fixed Income	U.S.	
Lyxor \$ Floating Rate Note UCITS ETF	0.10	Fixed Income	U.S.	✓
Lyxor Green Bond (DR) UCITS ETF	0.25	Fixed Income	Global	

In summary

x19

Currency hedged ETFs
(totalling 27 share classes)

x2

Floating Rate Note ETFs

x5

Minimum Variance ETFs

x6

Inflation related ETFs

x5

Cash / cash equivalent ETFs

x17

Short / double short ETFs



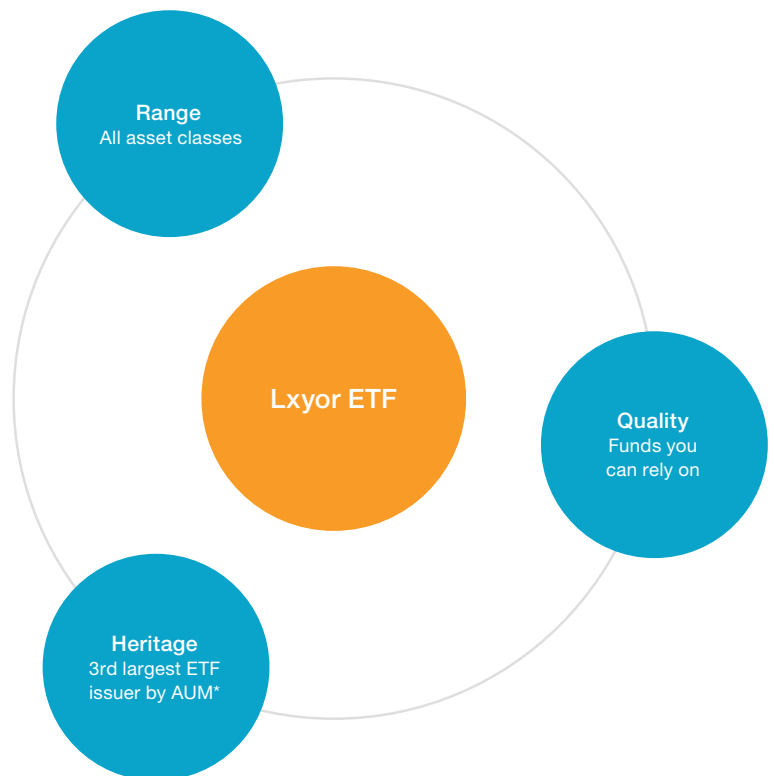
We are curious explorers

Our success is built on a history of innovation and a constant drive to provide investors with better, more efficient ways to access more investment opportunities around the world.

With 17 years of commitment to performance, risk control, liquidity and transparency, it's no surprise that Lyxor ranks third in Europe with €62.3bn of ETF assets under management* and second in terms of the liquidity of its ETFs**.

As one of the most experienced ETF providers, Lyxor has the scope to offer greater choice when it comes to your investment. With more than 220 products spanning all asset classes, geographies, sectors and types, our investors enjoy the freedom to choose precisely where and how they want to invest.

However, it's more than just the choice; it is our absolute commitment to tracking efficiency, and our relentless focus on quality that tells investors they can trust us wherever they want to invest, and whatever their investment goals.



*Source: Lyxor International Asset Management, as at 13/02/2018

**Source: Lyxor International Asset Management, Bloomberg. Based on average daily volume. Data period from 31/01/2017 to 31/01/2018.

Knowing your risk

It is important for potential investors to evaluate the general risks described below and in the fund prospectus on our website www.LyxorETF.ch

Capital at risk

ETFs are tracking instruments: Their risk profile is similar to a direct investment in the Underlying index. Investors' capital is fully at risk and investors may not get back the amount originally invested.

Replication risk

The fund objectives might not be reached due to unexpected events on the underlying markets which will impact the index calculation and the efficient fund replication.

Counterparty risk

With synthetic ETFs, investors are exposed to risks resulting from the use of an OTC swap with Société Générale. In-line with UCITS guidelines, the exposure to Société Générale cannot exceed 10% of the total fund assets. Physically replicated ETFs may have counterparty risk if they use a securities lending programme.

Concentration risk

Smart Beta ETFs select stocks or bonds for their portfolio from the original benchmark index. Where selection rules are extensive it can lead to a more concentrated portfolio where risk is spread over fewer stocks than the original benchmark.

Compounding risk

The performance of single short, double short and leveraged ETFs is calculated on a daily basis. This means there is a compounding effect as the daily return will always be based on the previous day's closing price. Compounding can thus lead to slippage over time between the index and the ETF, meaning single short, double short and leveraged ETFs may not be suitable as long-term holdings.

Leverage risk

Leveraged products amplify both gains and losses by a given leverage factor. Losses can therefore potentially be substantial.

Underlying risk

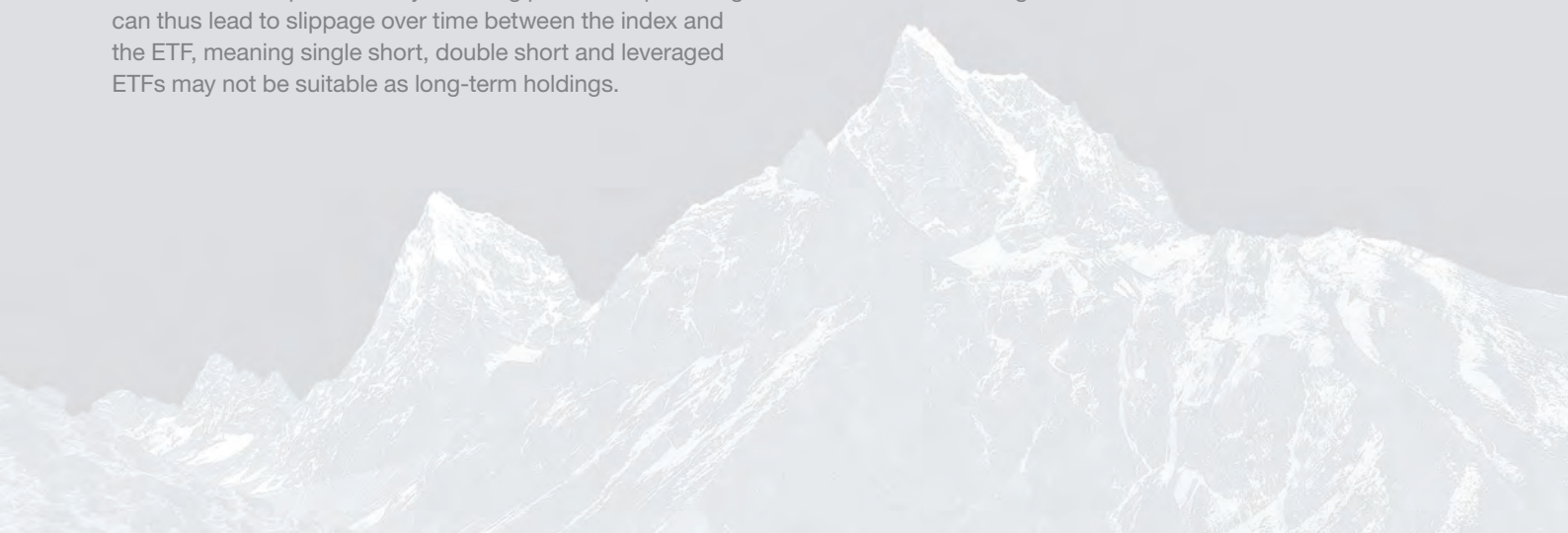
The Underlying index of a Lyxor ETF may be complex and volatile. For example, when investing in commodities, the Underlying index is calculated with reference to commodity futures contracts exposing the investor to a liquidity risk linked to costs such as cost of carry and transportation. ETFs exposed to Emerging Markets carry a greater risk of potential loss than investment in Developed Markets as they are exposed to a wide range of unpredictable Emerging Market risks.

Currency risk

ETFs may be exposed to currency risk if the ETF is denominated in a currency different to that of the Underlying index they are tracking. This means that exchange rate fluctuations could have a negative or positive effect on returns.

Liquidity risk

Liquidity is provided by registered market-makers on the respective stock exchange where the ETF is listed, including Société Générale. On exchange, liquidity may be limited as a result of a suspension in the underlying market represented by the Underlying index tracked by the ETF; a failure in the systems of one of the relevant stock exchanges, or other market-maker systems; or an abnormal trading situation or event.



Important information

This document has been provided by Lyxor International Asset Management that is solely responsible for its content.

The funds from the Luxembourg-domiciled MULTI UNITS range, the Luxembourg-domiciled Lyxor Index Fund range, the French domiciled MULTI UNITS France range, and some of the French-domiciled FCP Lyxor UCITS ETF range that are specified as being listed on SIX Swiss Exchange or licensed by FINMA in the chart comprised in this document (Registered Funds) are collective investment schemes approved by the Swiss Financial Market Supervisory Authority FINMA (FINMA) as foreign collective investment schemes pursuant to article 120 of the Swiss Collective Investment Schemes Act of 23 June 2006 (as amended from time to time, CISA) for distribution in Switzerland to non-Qualified Investors as defined in the CISA.

The funds from the Luxembourg-domiciled MULTI UNITS range, the Luxembourg-domiciled Lyxor Index Fund range, the French domiciled MULTI UNITS France range, and some of the French-domiciled FCP Lyxor UCITS ETF range that are not specified as being listed on SIX Swiss Exchange or licensed by FINMA in the chart comprised in this document (non-Registered Funds, and together with the Registered Funds, the Funds) are collective investment schemes not approved by the FINMA as foreign collective investment schemes pursuant to article 120 of the CISA for distribution in Switzerland. Accordingly, the non-Registered Funds may be offered in Switzerland exclusively to Qualified Investors as defined in the CISA and its implementing ordinance.

Financial intermediaries (including particularly, representatives of private banks or independent asset managers, Intermediaries) are hereby reminded on the strict regulatory requirements applicable under the CISA to any distribution of foreign collective investment schemes in Switzerland. It is each Intermediary's sole responsibility to ensure that (i) all these requirements are put in place prior to any Intermediary distributing any of the Funds presented in this document and (ii) that otherwise, it does not take any action that could constitute distribution of collective investment schemes in Switzerland as defined in article 3 CISA and related regulation.

Any information in this document is given only as of the date of this document and is not updated as of any date thereafter.

This document is for information purposes only and does not constitute an offer, an invitation to make an offer, a solicitation or recommendation to invest in collective investment schemes. This document is not a prospectus as per article 652a or 1156 of the Swiss Code of Obligations, a listing prospectus according to the listing rules of the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland, a simplified prospectus, a key investor information document or a prospectus as defined in the CISA.

An investment in collective investment schemes involves significant risks that are described in each prospectus or offering memorandum. Each potential investor should read the entire prospectus or offering memorandum and should carefully consider the risk warnings and disclosures before making an investment decision.

Any benchmarks/indices cited in this document are provided for information purposes only.

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This document does not contain personalized recommendations or advice and is not intended to substitute any professional advice on investments in financial products.

The Representative and the Paying Agent of the Funds in Switzerland is Société Générale, Paris, Zurich Branch, Talacker 50, 8001 Zurich.

The prospectus or offering memorandum, the key investor information documents, the management regulation, the articles of association and/or any other constitutional documents as well as the annual and semi-annual financial reports may be obtained free of charge from the Representative in Switzerland. In respect to the units/shares of the Funds distributed in and from Switzerland, place of performance and jurisdiction is at the registered office of the Representative in Switzerland.



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www.LyxorETF.ch