

This Product Highlights Sheet (“**PHS**”) is an important document.

- It highlights the key terms and risks of this investment product and complements the prospectus of the Fund dated 30 January 2015 (the “**Prospectus**”)¹.
- It is important to read the Prospectus before deciding whether to purchase units in the Fund. If you do not have a copy, please contact us to ask for one.
- You should not invest in the Fund if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the units in the Fund, you will need to make an application in the manner set out in the Prospectus. Units of the Fund can also be purchased or traded on the SGX-ST as set out in the Prospectus.

Lyxor UCITS ETF MSCI Taiwan (the “**Fund**”)

SGX counter name (SGX stock code)	Lyxor Taiwan 10US\$ (A9A)	SGX-ST Listing Date	1 March 2007
Product Type	Exchange Traded Fund	Designated Market Maker	Société Générale
Management Company	Lyxor International Asset Management (the “ Manager ”)	Underlying Reference Asset	MSCI TAIWAN™ Net Total Return index denominated in USD (the “ Benchmark Index ”)
Traded Currency	Class USD: USD	Expense Ratio (as at 28 February 2014)	0.65%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is only suitable for investors who:
 - want capital growth rather than regular income;
 - are prepared to lose some or all of their original investment;
 - are seeking exposure to the Taiwan equity markets; and
 - have considered their personal circumstances at present and for the next five years and are able and willing to invest in a product:
 - for the minimum recommended investment period of more than five years;
 - which has a high equity risk profile and exposure to, *inter alia*, market risks linked to movements (including declines) in the Benchmark Index;
 - **which net asset value (“NAV”) may have a high volatility due to the potential volatility of the Benchmark Index;** and
 - **which will invest in financial derivative instruments such as swap transactions for investment, hedging and/or efficient portfolio management.**

Please refer to the “Risks of Investing in the Fund”, “Investment Objective, Focus & Approach”, “Risks” and “Other Material Information - Distributions” sections of the Prospectus for further information.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

- You are investing in Class USD units (the “**Units**”) of the Fund, which is an exchange traded fund constituted in France and is an Undertaking for Collective Investments in Transferable Securities (“**UCITS**”) Part IV scheme that aims to track the Benchmark Index by using a synthetic replication strategy (please see the “Investment Strategy” section below for further details).
- The Benchmark Index is denominated in USD and is an equity index calculated and published by the international index provider MSCI. The Benchmark Index comprises solely Taiwan stocks and boasts the fundamental characteristics of MSCI indices. The objective of the Benchmark Index is to represent 85% of the free float-adjusted market capitalisation of each group of industries on the Taiwanese market.
- The Manager reserves the discretion to pay out income distributions and net realised capital gains of the Fund to the Holders at such times as it may determine. There can be no assurance that the Manager will declare dividends or make distributions.

Please refer to the “Basic Information”, “Investment Objectives, Focus & Approach”, “Other Material Information - Distributions” sections and “Appendix 1: Benchmark Index” of the Prospectus for further information.

Investment Strategy

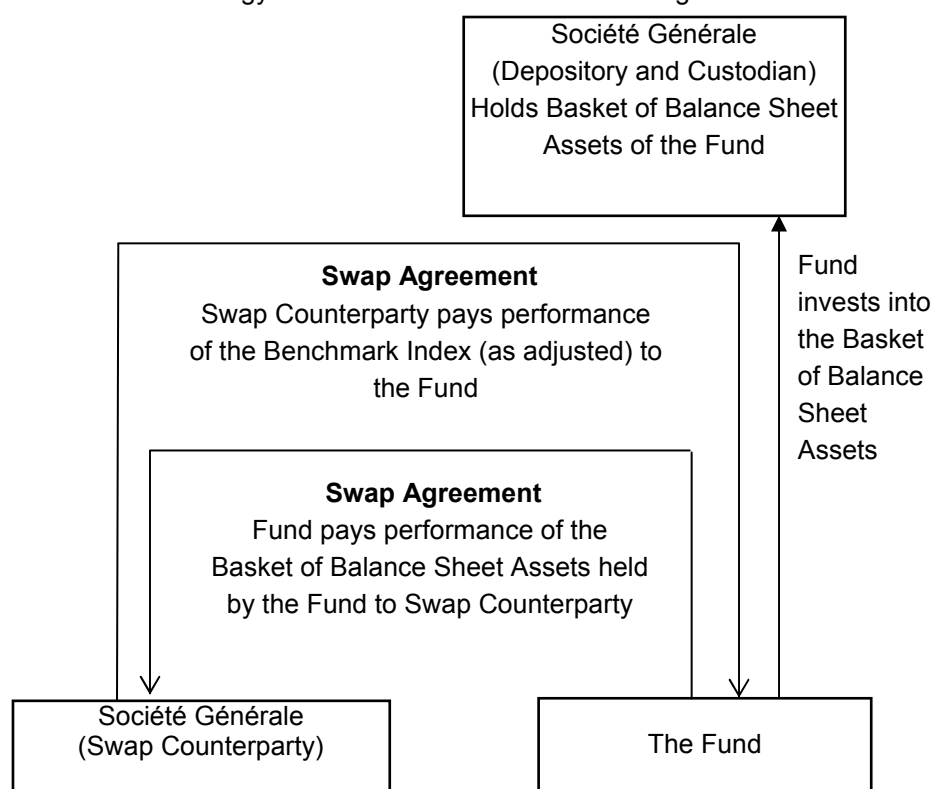
- The Fund may:
 - (i) purchase or invest in a basket of international shares from all economic sectors and listed on any exchange including small capitalisation markets which may or may not comprise shares that make up the Benchmark Index, and where the Manager in its discretion considers appropriate, one or more underlying fund(s) (collectively the “**Basket of Balance Sheet Assets**”); and

Please refer to the “Investment Objectives, Focus & Approach” section of the Prospectus for further information.

¹ The Prospectus is accessible at www.lyxoretf.com.sg. Investors may also obtain copy of the Prospectus from the Singapore Representative of the Fund, whose details can be found on the last page of this PHS. Unless the context otherwise requires, terms defined in the Prospectus shall have the same meaning when used in this PHS.

- (ii) enter into financial derivative instruments negotiated over-the-counter known as swap agreements with Société Générale as the current swap counterparty which would essentially exchange the Fund's exposure to the Basket of Balance Sheet Assets (and where applicable any other assets of the Fund) with that of the Benchmark Index (as adjusted).

- The investment strategy of the Fund is illustrated in the diagram below:



- Criteria for selection of shares:** Shares comprising the basket of international shares in the Basket of Balance Sheet Assets are chosen based on prescribed eligibility and diversification criteria.
- The Manager may decide to adopt another investment strategy as it believes appropriate to achieve the investment objective of the Fund, subject to applicable laws and regulations.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is established in France as a *fonds commun de placement* (FCP) which is an open-ended collective investment fund.
- The Manager of the Fund is Lyxor International Asset Management, a company incorporated in France.
- The current swap counterparty, designated market maker, depository and custodian and the registrar of the Fund is Société Générale, an institution established in France.
- The administrative agent of the Fund is Société Générale Securities Services Net Asset Value, an institution established in France.
- The Singapore Representative of the Fund is RBC Investor Services Trust Singapore Limited, a company incorporated in Singapore.

Please refer to the "The Manager" and "Other Parties" sections of the Prospectus for further information on the roles of these entities.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the Units and the price of the Units (and its dividends, if any) may rise or fall. These risk factors may cause you to lose some or all of your investment:

Please refer to the "Risks" section of the Prospectus for further information.

Market and Credit Risks

- Market prices for the Units may be different from their NAV**
 - Units are transacted on the SGX-ST on a willing-buyer-willing-seller basis at market prices throughout the trading day.
 - The price of any Units traded on the SGX-ST will depend, amongst other things, on market supply and demand, movements in the value of the Benchmark Index, prevailing financial market, corporate, economic and political conditions.
 - As market prices of Units may sometimes trade above or below the NAV of the Fund, there is a risk that Holders may not be able to buy or sell at a price close to the NAV.
- You are exposed to risk linked to the country in which the Fund invests or is exposed to**
 - Investment of the Fund in Taiwan or its exposure to this market mean that the NAV of the Fund and its trading prices will be affected by movements or downturns in this market.

<ul style="list-style-type: none"> Exposure to Taiwan (an emerging market) may entail a greater risk of potential loss than investments or exposure to developed markets. 	
Liquidity Risks	
<ul style="list-style-type: none"> Units can be redeemed at NAV only through Participating Dealers <ul style="list-style-type: none"> Investors who wish to redeem their Units at NAV must approach a Participating Dealer to apply to the Manager to redeem the Units on their behalf. If they approach a broker or dealer who is not a Participating Dealer, that broker or dealer will have to place redemption orders through a Participating Dealer. In such a case there may be additional charges to such investor. There is a minimum amount of EUR 100,000 for redemption of Units in cash being imposed by the Fund on a Participating Dealer. The secondary market may be illiquid <ul style="list-style-type: none"> You can sell your Units on the SGX-ST. However, you may not be able to find a buyer on the SGX-ST when you wish to sell your Units. While the Fund intends to appoint at least one market maker to assist in creating liquidity for investors, liquidity is not guaranteed and trading of Units on the SGX-ST may be suspended in various situations. If the Units are delisted from the SGX-ST or if the CDP is no longer able to act as the depository for the Units listed on the SGX-ST, the Units in the investors' securities accounts with the CDP or held by the CDP may be repurchased (compulsorily or otherwise) by the designated Market Maker or otherwise at a price calculated by reference to the NAV of the Fund calculated as of a certain number of day(s) following the last trading day of the Fund on the SGX-ST (or such other day as may be determined by the Manager in consultation with the SGX-ST and/or the CDP). 	
Product-Specific Risks	
<ul style="list-style-type: none"> You are exposed to counterparty risk related to the swap agreement(s) entered into by the Fund and risks relating to swap agreement(s) <ul style="list-style-type: none"> The Fund currently enters into swap agreements with a swap counterparty. There is a risk that the swap counterparty may default on its obligations under the swap agreements which may cause the Fund to incur significant losses. However the Fund is subject to a maximum single counterparty risk exposure of 10% of its NAV per counterparty under the UCITS directive. If the swap counterparty defaults on its obligations, the NAV of the Fund may be adversely affected by fluctuations in the Basket of Balance Sheet Assets (which may not comprise shares that make up the Benchmark Index) during the period where an alternative swap counterparty is being sought for the Fund. There is also a possibility that the swap transactions may be terminated under certain circumstances. You are exposed to foreign exchange risk and currency risk <ul style="list-style-type: none"> <i>Currency risk related to the Fund and the Benchmark Index:</i> The NAV of the Fund could decrease while the value of the Benchmark Index increases due to exchange rate fluctuations in the Taiwanese Dollar ("TWD") (being the currency of the shares underlying the constituents of the Benchmark Index) and the USD (being the currency of the Benchmark Index, the currency in which the NAV of the Units is denominated and the SGX-ST listing currency of the Units). If your functional currency is in SGD, you will be exposed to further foreign exchange risks on your investment in the Fund. The Fund, Manager, Depository and Custodian and the current swap counterparty are not constituted in Singapore and are governed by foreign laws. Certain investments by the Fund such as the swap(s) are also governed by foreign laws <ul style="list-style-type: none"> As a FCP in France registered as a UCITS IV scheme, the Fund is subject to the applicable laws and regulations in France and the relevant UCITS directives. The Manager, Depository and Custodian and the current swap counterparty are established in France and governed by French laws. Any winding up of the investments of the Fund including the swap agreement(s) which are governed by foreign laws may involve delays and legal uncertainties for Singapore investors. You are exposed to risk linked to the country in which the Fund invests or is exposed to <ul style="list-style-type: none"> Investment of the Fund in the Taiwanese market and its exposure to this market may involve a greater risk of potential losses than investments or exposure to developed markets. You are exposed to risks associated with indirect costs of the swap(s) <ul style="list-style-type: none"> Under the swap(s) entered into between the Fund and the swap counterparty, the Fund shall receive the performance of the Benchmark Index adjusted by indirect costs (such as (a) market value adjustments comprising the hedging activities of the swap counterparty and other costs and/or incidental gain; and (b) tax provisions arising from the hedging activities of the swap counterparty). Such adjustments may affect the ability of the Fund to achieve its investment objective. You are exposed to risks associated with custodians <ul style="list-style-type: none"> The Fund's assets are held in custody by the Depository and Custodian. This exposes the Fund to a custody risk. 	

• **You are exposed to risks associated with potential conflicts of interests**

- The Manager is a subsidiary of Lyxor Asset Management, which is in turn a wholly-owned subsidiary of Société Générale (which is currently the swap counterparty, designated Market Maker, depository and custodian and the registrar of the Fund).
- Whilst compliance procedures require effective segregation of duties and responsibilities between the relevant divisions within the Société Générale Group, the possibility of conflicts of interest arising cannot be wholly eliminated. If such conflicts arise, the Manager will, in conjunction with the Depository and Custodian, seek to ensure that Holders are treated fairly, and any such conflicts will be treated on an arm's length basis.

Please refer to the "Conflicts of Interest" section of the Prospectus for further information.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable by an investor when subscribing or redeeming Units via the Participating Dealer of the Fund:

Subscription fee or preliminary charge	Up to the higher of (i) EUR 50,000 (converted* to USD) per subscription request or (ii) 5% of the NAV per Unit multiplied by the number of Units subscribed.
Redemption or realisation charge	Up to the higher of (i) EUR 50,000 (converted* to USD) per redemption request or (ii) 5% of the NAV per Unit multiplied by the number of Units redeemed.

* Investors should note that the exchange costs and risks, if any, will be borne by the investors.

Payable by an investor when buying or selling Units via the SGX-ST:

For purchases and sales on the SGX-ST: There will be a clearing fee for trading of Units on the SGX-ST which is currently 0.0325% of the transaction value. Investors will have to bear brokerage fees charged by their stockbrokers as in the case of acquiring or selling shares listed on the SGX-ST. The prevailing GST (7.0%) on brokerage fees and clearing fees will apply. Please contact your broker for further details.

Payable by Class USD of the Fund:

Operating and Management fee, tax included	Currently 0.65% of the Fund's NAV per annum; Maximum 0.65% of the Fund's NAV per annum.
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Payable by the Fund when investing in the underlying fund(s) (where applicable):

Subscription fee payable to third parties	Currently nil; Maximum 5.0%
Redemption or realisation charge	Nil.

Payable out of the assets of the underlying fund(s) (where applicable):

Operating and management fee, tax included	Currently nil; Maximum 0.15% of the underlying fund's NAV per annum
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Please refer to the "Fees and Charges" section of the Prospectus for further information.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

You may contact the Singapore Representative of the Fund, RBC Investor Services Trust Singapore Limited, at 20 Cecil Street, Equity Plaza #28-01, Singapore 049705 or the Manager at telephone number (65) 6423 2638 or fax number (65) 6423 2632 to raise any queries about the Fund.