

Core range:
Take your money further

Reduce Cost

US and UK Core equity ETFs

In developing our low cost Core range, we have adhered to the key principle of cutting costs, not corners. Selecting indices by Morningstar for our US and UK exposures allowed us to achieve exactly that.

Morningstar is a trusted brand in indexing. With over 15 years experience building benchmarks, we believe that their strong governance, high quality data and robust processes make them ideal for accessing simple market beta, at low cost.

With TERs of just 0.04%, our Core Morningstar US and UK ETFs are the cheapest of their kind.**

Key facts about Morningstar

- ▶ An **extensive investment database** trusted by investors around world
- ▶ Real time, **high quality data** on millions of equities, indices, futures, and commodities
- ▶ Since **2002**, Morningstar Indexes has created hundreds of passive strategies

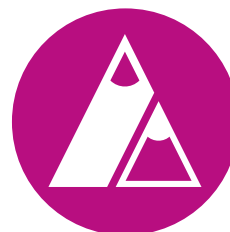
MORNINGSTAR®



Accomplished
\$34.4bn in assets tied to Morningstar indices*



Dependable
High quality data on hundreds of thousands of investments



Experienced
Over 15 years of indexing expertise*

*Source: Morningstar. Data as at 28/02/2018. **Source: Lyxor International Asset Management, as at 19/03/2018. Statement refers to European ETF market.

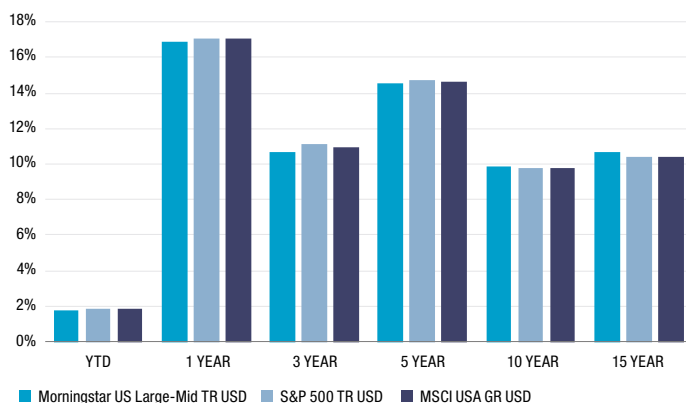
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Reduce Cost

How does the US index compare to peers?

Performance

Annualised index returns over different time periods*



Correlations (based on monthly returns)**

Index	1	2	3
1. Morningstar US Large-Mid TR USD	1.00		
2. S&P 500 TR USD	0.99	1.00	
3. MSCI USA GR USD	0.99	0.99	1.00

99.9%

Historic correlation with S&P 500 and MSCI USA**

Calendar year returns*

Index	2007	2008	2009	2010	2011	2013	2014	2015	2016	2017
Morningstar US Large-Mid TR USD	6.4%	-37.1%	27.8%	15.9%	1.9%	33.2%	13.3%	0.9%	11.6%	21.7%
S&P 500 TR USD	5.5%	-37.0%	26.5%	15.1%	2.1%	32.4%	13.7%	1.4%	12.0%	21.8%
MSCI USA GR USD	6.0%	-37.1%	27.1%	15.4%	2.0%	32.6%	13.4%	1.3%	11.6%	21.9%

Risk

Volatility, annualised returns, and drawdown*

Index	Volatility %				Annualised return %				Max drawdown %
	1Y	3Y	5Y	10Y	1Y	3Y	5Y	10Y	Past 15Y
Morningstar US Large-Mid TR USD	10.10%	12.77%	12.47%	20.53%	16.92%	10.69%	14.55%	9.83%	-38.04%
S&P 500 TR USD	10.14%	12.77%	12.28%	20.39%	17.10%	11.14%	14.73%	9.73%	-37.66%
MSCI USA GR USD	10.09%	12.78%	12.29%	20.38%	17.05%	10.93%	14.63%	9.75%	-37.94%

Other things to know***

Index	# stocks	Current dividend yield	Avg. market cap	Median market cap
Morningstar US Large-Mid TR USD	837	1.77%	\$30.4bn	\$11.3bn
S&P 500 TR USD	505	1.90%	\$48.1bn	\$21.2bn
MSCI USA GR USD	632	1.87%	\$38.4bn	\$15.5bn

*Source: Morningstar. Data as at 28/02/2018. Drawdown data based on monthly returns. Past performance is not a reliable indicator of future results.

**Source: Morningstar. Data period 01/04/2008-31/03/2018, based on monthly returns. Past performance is not a reliable indicator of future results.

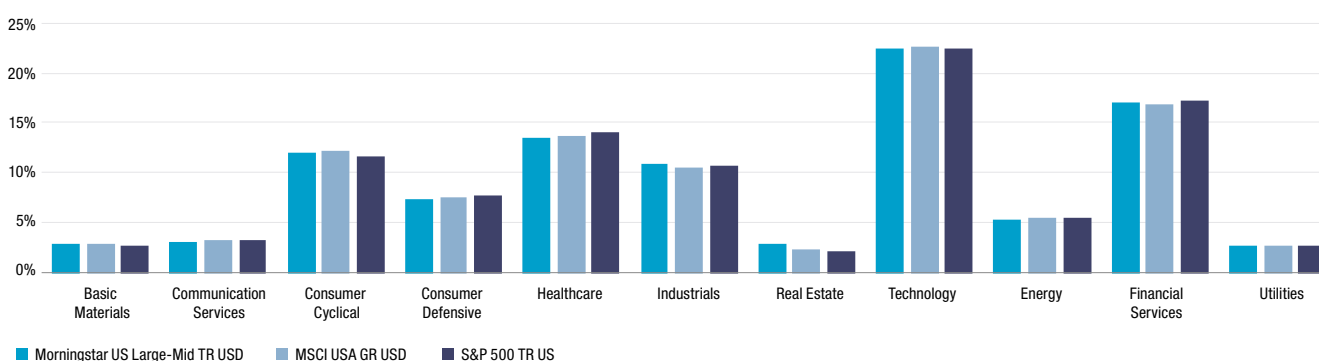
***Source: Morningstar, S&P Dow Jones Indices, MSCI, as at 28/02/2018.

Holdings

Top 10 constituents*

Morningstar US Large-Mid	Weight %	S&P 500	Weight %	MSCI USA	Weight %
Apple Inc	3.59	Apple Inc	3.95	Apple Inc	3.78
Microsoft Corp	2.84	Microsoft Corp	3.12	Microsoft Corp	2.82
Amazon.com Inc	2.37	Amazon.com Inc	2.61	Amazon.com Inc	2.54
Facebook Inc A	1.67	Facebook Inc A	1.84	Facebook Inc A	1.74
JPMorgan Chase & Co	1.57	JPMorgan Chase & Co	1.73	JPMorgan Chase & Co	1.67
Berkshire Hathaway Inc B	1.56	Berkshire Hathaway Inc B	1.72	Johnson & Johnson	1.43
Johnson & Johnson	1.37	Johnson & Johnson	1.51	Alphabet Inc C	1.42
Alphabet Inc C	1.31	Alphabet Inc C	1.44	Alphabet Inc A	1.35
Alphabet Inc A	1.29	Alphabet Inc A	1.42	Bank of America Corporation	1.32
Exxon Mobil Corp	1.26	Exxon Mobil Corp	1.39	Exxon Mobil Corp	1.32
Total top 10	18.84	Total top 10	20.72	Total top 10	19.40

Sector breakdown*



Index construction & maintenance**

	Morningstar US Large-Mid	S&P 500	MSCI USA
Starting universe	Stocks from the Morningstar US Market Index	US common stocks, subject to S&P Index Committee	US incorporated companies listed on NYSE, NYSE American or NASDAQ
Market cap threshold	Top 90%	\$6.1bn or greater	Top 85%
Trading frequency requirements	No more than 10 non-trading days in the preceding quarter for both new and current constituents	N/A	Trading frequency for the four preceding quarters > 90%. Current constituents given a buffer of 10%
Liquidity	Top 75% by liquidity score for new and current constituents. Score based on average dollar traded value and worst monthly dollar traded value - calculated over the preceding six month period	Ratio of annual dollar value traded (defined as average closing price over the period multiplied by historical volume) to float-adjusted market capitalization should be at least 1.00, and the stock should trade a minimum of 250,000 shares in each of the six months leading up to the evaluation date.	Both three and twelve month turnover > 20%. For current constituents, three month turnover condition relaxed to 5% and 12 month condition to 2/3rds of the above
Free-float requirements	Free float >= 10%	At least 50% of shares outstanding must be available for trading	Free float >= 15%. Securities with float market capitalization > 1.8 times the minimum float market capitalization required for the MSCI Standard Index are also eligible.
Weighting	Free float market cap	Free float market cap	Free float market cap
Rebalancing frequency	Quarterly	Quarterly	Quarterly
Reconstitution frequency	Semi-annually	Semi-annually	Semi-annually

A quarterly alternating reconstitution/rebalancing schedule helps to ensure that the index accurately reflects its stated objectives. During a reconstitution, two things occur: (i) eligible securities and existing constituents are re-evaluated and the necessary additions/deletions from the portfolio are made; and (ii) the index constituents are reweighted. Alternatively during a rebalancing, no additions/deletions are made, and constituents are merely reweighted to reflect the most current corporate structure, shares outstanding, and free float for each constituent.

*Source: Morningstar. Data as at 28/02/2018.

**Source: Morningstar, S&P Dow Jones Indices, MSCI, as at 28/02/2018.

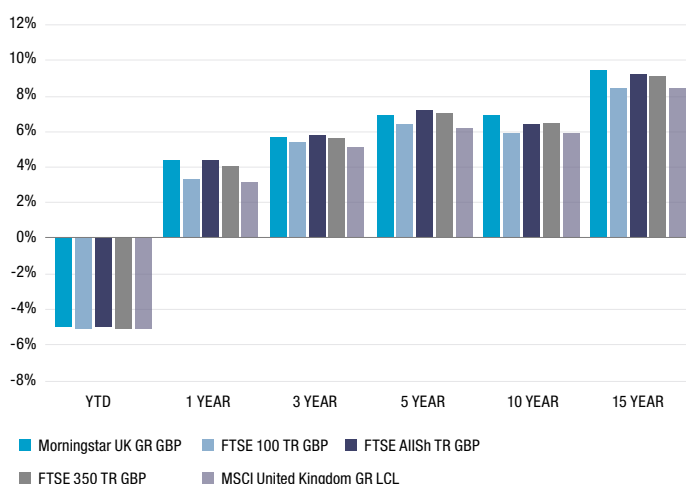
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Reduce Cost

How does the UK index compare to peers?

Performance

Annualised index returns over different time periods*



Correlations (based on monthly returns)**

Index	1	2	3	4	5
1. Morningstar UK GR GBP	1.00				
2. FTSE 100 TR GBP	0.99	1.00			
3. FTSE All Share TR GBP	0.99	0.99	1.00		
4. FTSE 350 TR GBP	0.99	0.99	0.99	1.00	
5. MSCI United Kingdom GR LCL	0.99	0.99	0.99	0.99	1.00

99.9%

Historic correlation with FTSE All Share, 350 & 100 and MSCI United Kingdom indices**

Calendar year returns*

Index	2007	2008	2009	2010	2011	2013	2014	2015	2016	2017
Morningstar UK GR GBP	6.0%	-27.3%	30.5%	14.0%	-2.7%	20.4%	0.7%	0.4%	17.1%	13.2%
FTSE 100 TR GBP	7.4%	-28.3%	27.3%	12.6%	-2.2%	18.7%	0.7%	-1.3%	19.1%	11.9%
FTSE All Share TR GBP	5.3%	-29.9%	30.1%	14.5%	-3.5%	20.8%	1.2%	1.0%	16.8%	13.1%
FTSE 350 TR GBP	5.9%	-29.5%	29.7%	14.4%	-3.2%	20.5%	1.2%	0.7%	16.8%	12.9%
MSCI United Kingdom GR LCL	6.6%	-28.5%	27.7%	12.2%	-1.8%	18.5%	0.5%	-2.2%	19.2%	11.8%

Risk

Volatility, annualised returns, and drawdown*

Index	Volatility %				Annualised return %				Max drawdown %
	1Y	3Y	5Y	10Y	1Y	3Y	5Y	10Y	Past 15Y
Morningstar UK GR GBP	8.96%	14.07%	13.19%	18.61%	4.36%	5.81%	7.06%	7.03%	-38.81%
FTSE 100 TR GBP	9.42%	14.56%	13.57%	19.16%	3.44%	5.43%	6.56%	6.05%	-39.80%
FTSE All Share TR GBP	8.82%	13.80%	12.94%	18.50%	4.40%	5.92%	7.28%	6.64%	-41.09%
FTSE 350 TR GBP	8.97%	15.13%	13.86%	19.00%	4.16%	5.74%	7.14%	6.58%	-40.67%
MSCI United Kingdom GR LCL	9.36%	14.53%	13.53%	19.12%	3.18%	5.18%	6.29%	5.96%	-40.29%

Other things to know***

Index	# stocks	Current dividend yield	Avg. market cap	Median market cap
Morningstar UK GR GBP	338	3.82%	£6.4bn	£1.8bn
FTSE 100 TR GBP	101	4.02%	£18.4bn	£7.9bn
FTSE All Share TR GBP	638	3.78%	£3.6bn	£0.7bn
FTSE 350 TR GBP	351	3.80%	£6.4bn	£1.8bn
MSCI United Kingdom GR LCL	102	4.07%	£17.9bn	£7.4bn

*Source: Morningstar. Data as at 28/02/2018. Drawdown data based on monthly returns. Past performance is not a reliable indicator of future results.

**Source: Morningstar. Data period 01/04/2008-31/03/2018, based on monthly returns. Past performance is not a reliable indicator of future results.

***Source: Morningstar, FTSE Russell, MSCI, as at 28/02/2018.

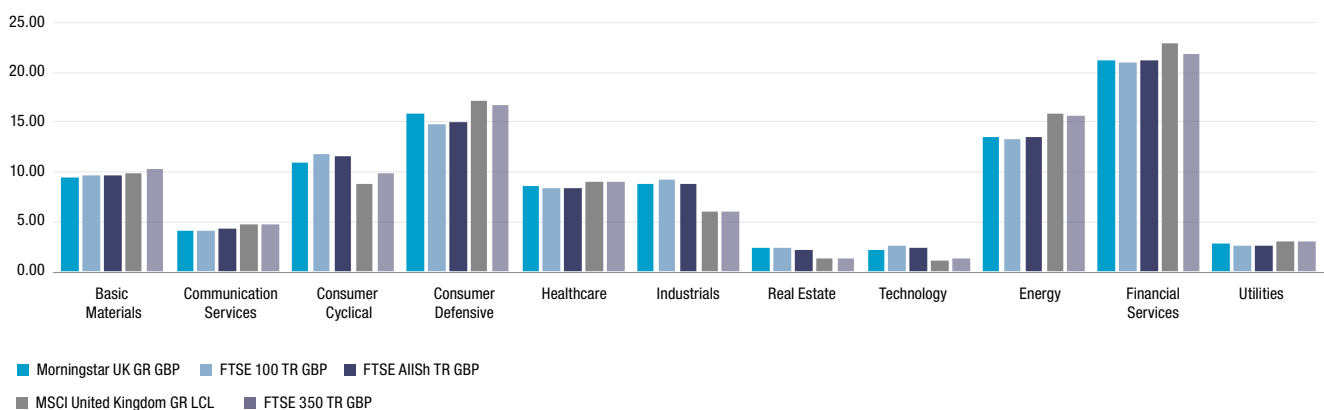
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Holdings

Top 10 constituents*

Morningstar UK	Weight %	FTSE 100	Weight %	FTSE All Share	Weight %	FTSE 350	Weight %	MSCI United Kingdom	Weight %
HSBC Holdings PLC	6.59	HSBC Holdings PLC	7.74	HSBC Holdings PLC	6.16	HSBC Holdings PLC	6.40	HSBC Holdings PLC	7.77
Royal Dutch Shell PLC Class A	4.70	Royal Dutch Shell PLC Class A	5.63	Royal Dutch Shell PLC Class A	4.48	Royal Dutch Shell PLC Class A	4.66	Royal Dutch Shell PLC Class A	5.59
British American Tobacco PLC	4.42	British American Tobacco PLC	5.28	British American Tobacco PLC	4.21	British American Tobacco PLC	4.37	British American Tobacco PLC	5.31
BP PLC	4.22	BP PLC	4.93	BP PLC	3.92	BP PLC	4.07	BP PLC	5.06
Royal Dutch Shell PLC B	3.91	Royal Dutch Shell PLC B	4.68	Royal Dutch Shell PLC B	3.73	Royal Dutch Shell PLC B	3.87	Royal Dutch Shell PLC B	4.69
GlaxoSmithKline PLC	2.87	GlaxoSmithKline PLC	3.40	GlaxoSmithKline PLC	2.71	GlaxoSmithKline PLC	2.81	GlaxoSmithKline PLC	3.47
Diageo PLC	2.77	Diageo PLC	3.27	Diageo PLC	2.60	Diageo PLC	2.71	Diageo PLC	3.34
AstraZeneca PLC	2.72	AstraZeneca PLC	3.25	AstraZeneca PLC	2.59	AstraZeneca PLC	2.69	AstraZeneca PLC	3.26
Vodafone Group PLC	2.43	Vodafone Group PLC	2.92	Vodafone Group PLC	2.33	Vodafone Group PLC	2.42	Vodafone Group PLC	2.93
Lloyds Banking Group PLC	2.21	Lloyds Banking Group PLC	2.64	Lloyds Banking Group PLC	2.10	Lloyds Banking Group PLC	2.18	Lloyds Banking Group PLC	2.67
Total top 10	36.85%	Total top 10	43.74%	Total top 10	34.83%	Total top 10	36.19%	Total top 10	44.08%

Sector breakdown*



*Source: Morningstar. Data as at 28/02/2018.

Index construction & maintenance**

	Morningstar UK	FTSE 100	FTSE All Share	FTSE 350	MSCI United Kingdom
Starting universe	Morningstar Global Markets ex-US index (UK stocks)	FTSE UK Index Series (premium listed equity shares trading on the London Stock Exchange, in Sterling)		UK companies listed on the London Stock Exchange	
Market cap threshold	Top 97%	N/A, largest 100 companies	Top 98%	N/A, largest 350 companies	Top 85%
Trading frequency requirements	No more than 10 non-trading days in the last six calendar months for new and current constituents	N/A		Trading frequency for last four quarters > 80%. Current constituents given a buffer of 10%	
Liquidity	Top 75/80% by liquidity score for new/current constituents. Score based on average dollar traded value, worst monthly dollar traded value, and turnover ratio - all calculated over the last six month period	Monthly median turnover of shares in issue must be of at least 0.025% for ten of twelve months. For current constituents, the turnover must be at least 0.015% for eight of twelve months. New issues must have at least a 20-day trading record when reviewed.		Three and 12 month turnover > 20%. Current constituent three-month condition relaxed to 5% and 12-month equivalent to 2/3rds of the above	
Free-float requirements	Free float > = 10%	Free float > = 25% if UK incorporate, >= 50% if non-UK incorporate		Free float > = 15%	
Weighting	Free float market cap	Free float market cap		Free float market cap	
Rebalancing frequency	Quarterly	Quarterly		Quarterly	
Reconstitution frequency	Semi-annually	Semi-annually		Semi-annually	

A quarterly alternating reconstitution/rebalancing schedule helps to ensure that the index accurately reflects its stated objectives. During a reconstitution, two things occur: (i) eligible securities and existing constituents are re-evaluated and the necessary additions/deletions from the portfolio are made; and (ii) the index constituents are reweighted. Alternatively during a rebalancing, no additions/deletions are made, and constituents are merely reweighted to reflect the most current corporate structure, shares outstanding, and free float for each constituent.

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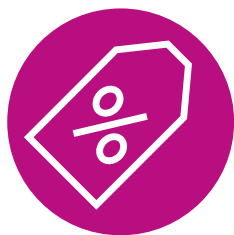
**Source: Morningstar, FTSE Russell, MSCI, as at 28/02/2018.

Reduce Cost: US and UK Core equity ETFs

Lyxor's Low Cost Core

When you're setting out on any investment journey, you don't want excess fees weighing you down. When returns are harder to find, every basis point counts.

As befits ETF pioneers, we can take your money further than most. Our rock solid Core ETFs cost as little as 0.04%.*



TERs from 0.04%



Physical replication



No securities lending



Luxembourg domiciled

Lyxor's Core US and UK equity ETFs*

UCITS ETF	Region	Replication	ISIN	Trading currency	Tickers	TER
Lyxor Core Morningstar US (DR)	US	Physical	LU1781540957	GBP	LCUS LN	0.04%
				EUR	LCUS GY, LCUS IM	
				USD	LCUD LN	
Lyxor Core Morningstar UK (DR)	UK	Physical	LU1781541096	GBP	LCUK LN	0.04%
				EUR	LCUK GY, LCUK IM	

To see the full list of Lyxor Core ETFs, visit www.lyxoretf.com

*Source: Lyxor International Asset Management. Data as at 19/03/2018.

Reduce Cost: US and UK Core equity ETFs

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.com

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.

Important information

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Alternatively, some of the funds described in this document are sub-funds of Multi Units France a French SICAV incorporated under the French Law and approved by the French Autorité des marchés financiers. Each fund complies with the UCITS Directive (2009/65/CE), and has been approved by the French Autorité des marchés financiers. Société Générale and Lyxor AM recommend that investors read carefully the "risk factors" section of the product's prospectus and Key Investor Information Document (KIID). The prospectus and the KIID are available in French on the website of the AMF (www.amf-france.org). The prospectus in English and the KIID in the relevant local language (for all the countries referred to, in this document as a country in which a public offer of the product is authorised) are available free of charge on lyxoretf.com or upon request to client-services-etf@lyxor.com. The products are the object of market-making contracts, the purpose of which is to ensure the liquidity of the products on NYSE Euronext Paris, Deutsche Boerse (Xetra) and the London Stock Exchange, assuming normal market conditions and normally functioning computer systems. Units of a specific UCITS ETF managed by an asset manager and purchased on the secondary market cannot usually be sold directly back to the asset manager itself. Investors must buy and sell units on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units and may receive less than the current net asset value when selling them. Updated composition of the product's investment portfolio is available on www.lyxoretf.com. In addition, the indicative net asset value is published on the Reuters and Bloomberg pages of the product, and might also be mentioned on the websites of the stock exchanges where the product is listed. Prior to investing in the product, investors should seek independent financial, tax, accounting and legal advice. It is each investor's responsibility to ascertain that it is authorised to subscribe, or invest into this product. This document together with the prospectus and/or more generally any information or documents with respect to or in connection with the Fund does not constitute an offer for sale or solicitation of an offer for sale in any jurisdiction (i) in which such offer or solicitation is not authorized, (ii) in which the person making such offer or solicitation is not qualified to do so, or (iii) to any person to whom it is unlawful to make such offer or solicitation. In addition, the shares are not registered under the U.S Securities Act of 1933 and may not be directly or indirectly offered or sold in the

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.

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Index disclaimer

The Lyxor Core Morningstar US (DR) UCITS ETF and Lyxor Core Morningstar UK NT (DR) UCITS ETF seek to replicate as closely as possible, before fees and expenses, the price and yield performance of the Morningstar® US Large-Mid TR IndexSM and Morningstar® UK GR IndexSM. Indices are unmanaged and are not securities in which an investment can be made. The Morningstar® US Large-Mid TR IndexSM and Morningstar® UK GR IndexSM were created and are maintained by Morningstar, Inc. Morningstar, Inc. does not sponsor, endorse, issue, sell, or promote the The Lyxor Core Morningstar US ETF and Lyxor Core Morningstar UK NT ETF, and bears no liability with respect to those ETFs or any security. Morningstar® is a registered trademark of Morningstar, Inc. Morningstar® US Large-Mid TR IndexSM and Morningstar® UK GR IndexSM is a service mark of Morningstar, Inc.