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LYXOR ETF IBEX35

FULL PROSPECTUS

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LYXOR ETF IBEX35**SUMMARY PROSPECTUS****STATUTORY AND REGULATORY DISCLOSURES****BRIEF PRESENTATION****ISIN CODE**

FR0010251744.

NAME

LYXOR ETF IBEX35

LEGAL FORM

Unincorporated mutual fund ("FCP") registered under French law.

SUB-FUNDS/FEEDER FUND

No.

MANAGEMENT COMPANY

LYXOR INTERNATIONAL ASSET MANAGEMENT.

CUSTODIAN BANK

SOCIETE GENERALE.

STATUTORY AUDITORS

PRICEWATERHOUSECOOPERS AUDIT.

OTHER REPRESENTATIVES

EURO-NAV provides portfolio accounting services for the Fund.

INFORMATION ABOUT INVESTMENTS AND MANAGEMENT**CLASSIFICATION**

Equities from Countries of the European Community.

The Fund is an index tracker.

INVESTMENT OBJECTIVE

The Fund's investment objective is to replicate movements in the IBEX35® index, whatever they are, while minimising as far as possible the tracking error between the Fund's performance and that of the IBEX35® index.

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

If the tracking error exceeds 1% nonetheless, the objective is to remain below 5% of the volatility of the IBEX35® index.

BENCHMARK INDEX

The benchmark index is the IBEX35® index, increased by the potential dividends the Fund may receive from the holding of the stocks of the index.

The IBEX35® index is an equity index calculated and published by Sociedad de Bolsas.

The IBEX35® index includes 35 Spanish stocks selected according to a criterion of liquidity.

The methodology of the construction of the IBEX35® index is available on the Sociedad de Bolsas website: www.ibex35.com.

The performance tracked is that of index closing prices.

INVESTMENT STRATEGY

The Fund will comply with the investment rules set out in Council Directive 85/611/EEC of 20 December 1985 as amended by Directives 2001/107/EC and 2001/108/EC.

To achieve the highest possible correlation with the performance of the IBEX35® index, the Fund will purchase a basket of equities from countries in the European Community and, for up to 10% of its assets, an OTC swap contract on equities and indices to convert the Fund's exposure to equities held as assets into exposure to the IBEX35® index.

The Fund's assets will be invested at a level over 80% of the equities markets of the countries of the European Community.

The Fund's assets will be mainly the equities that make up the IBEX35® index, as well as other European equities and all economic sectors, listed on all markets including small cap markets.

The Fund's equity assets will be chosen so as to limit the cost of replicating the index and to obtain a performance of the equity basket as close as possible to that of the IBEX35® index.

As part of the management of the basket of shares, the Fund qualifies for the special investment ratios applicable to index-tracking UCITS: a maximum of 20% of the compartment's assets may be invested in equities issued by the same entity. This 20% limit may be increased to 35% for a single issuing entity.

RISK PROFILE

Unitholders' money will be invested primarily in financial instruments selected by the management company. These instruments will fluctuate in line with the markets.

Through the Fund, investors are exposed to the following main risks:

- 100% of the market risks relating to changes in the IBEX35® index which is an index comprised of Spanish stocks. If the index drops, the net asset value of the Fund will drop;
- since the initial investment is not guaranteed, risk that the invested capital may be lost, the performance of the IBEX35® index may be negative.

Furthermore, through the Fund unitholders are exposed to the risk that the Fund's investment objective is only partially achieved and to the counterparty risk resulting from the use of OTC financial instruments contracted with a lending institution. More details about these risks are available in the detailed memorandum.

SUBSCRIBERS CONCERNED AND TYPICAL INVESTOR PROFILE

The Fund is open to any subscriber.

An investor subscribing to this Fund wishes to obtain an exposure to Spanish zone equity markets.

The amount that can be reasonably invested in the Fund depends on each investor's personal situation. To determine this amount, investors must take into account their personal wealth and/or estate, and their cash requirements at present and for the next five years, as well as whether they wish to take risks or opt instead for a cautious investment approach. Investors are also advised to diversify their investments sufficiently so as not to be exposed solely to the risks of the Fund.

All investors are therefore asked to consider their specific situation with the help of their usual investment advisor.

The recommended minimum investment period is more than five years.

INFORMATION ABOUT CHARGES, COMMISSION FEES AND TAXATION

CHARGES AND COMMISSION FEES

SUBSCRIPTION AND REDEMPTION COMMISSIONS

Subscription and redemption fees are added to the subscription price paid by the investor or deducted from the redemption price. Commission fees paid to the Fund are to compensate for the charges incurred by the Fund in buying or selling the entrusted assets. Any remaining commission fees go to the management company, marketing agent, etc.

Fees payable by the investor, charged upon subscription or redemption	Base	Rate
Subscription fee not allocated to the Fund	Net asset value × number of units	maximum between (i) €20,000 per subscription request and (ii) 2% of the net asset value per unit multiplied by the number of shares subscribed, that can be retroceded to third parties
Subscription fee allocated to the Fund	Net asset value × number of units	None
Redemption fee not allocated to the Fund	Net asset value × number of units	maximum between (i) €20,000 per redemption request and (ii) 2% of the net asset value per unit multiplied by the number of shares redeemed, that can be retroceded to third parties
Redemption fee allocated to the Fund	Net asset value × number of units	None

OPERATING AND MANAGEMENT FEES

These fees cover all costs charged directly to the Fund, with the exception of transaction fees. Transaction fees include intermediation expenses (brokerage, stock exchange taxes etc.) and transfer fees, if applicable, which may be levied by the custodian and the management company. The following fees may also be charged in addition to operating and management fees:

- outperformance fees. These are paid to the management company if the Fund exceeds its objectives. They are therefore charged to the Fund;
- transfer fees charged to the Fund;
- a share of income from the temporary acquisition and sale of securities.

For more details about fees charged to the Fund, please refer to the Fund Statistics section of the summary prospectus.

Fees charged to the Fund	Base	Rate
Operating and management fees incl. taxes ⁽¹⁾	Net asset value	0.3% p.a. maximum
Outperformance fee	Net asset value	None
Service providers charging transfer fees:	Charge on each transaction	None

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

No transfer fees will be charged to the Fund.

SOFT COMMISSION

Lyxor International Asset Management does not receive any soft commission for its own account or for third parties.

TAX REGIME

Fund eligible for French equity savings (PEA) plans. The Fund can also be used for unit-linked life insurance policies.

Depending on unitholders' tax regime, any capital gains and income deriving from ownership of units in the Fund may be subject to tax. Investors are advised to find out more regarding this issue from the Fund's marketing agent.

COMMERCIAL INFORMATION

CONDITIONS FOR SUBSCRIPTION AND REDEMPTION

Subscription / redemption requests are received and centralised by the Société Générale Securities and Stock Market Department between 10 am and 5 pm (Paris time), before 5 pm (Paris time) each Market Day in Paris preceding the day the net asset value is established on the basis of which they will be executed.

The address of the Société Générale Securities and Stock Market Department is as follows:

32 rue du Champ de Tir

BP 81236
44 312 Nantes CEDEX 3
Telephone: + 33 2 51 85 57 09
Fax: + 33 2 51 85 58 71

FINANCIAL YEAR-END DATE

Last trading day in January.
First year-end: 31 January 2007.

APPROPRIATION OF INCOME

The management company reserves the right to annually distribute and/or accumulate all or part of the Fund's income. Recognition using the cash-basis method.

DATE AND FREQUENCY OF NET ASSET VALUE CALCULATION

The net asset value will be calculated and published on a daily basis once the market listing is set up provided that it has proved possible to fund orders placed in the primary or secondary markets.

PLACE AND PROCEDURES FOR THE PUBLICATION OR COMMUNICATION OF THE NET ASSET VALUE

At the head office of Lyxor International Asset Management, 17, cours Valmy – 92987 Paris La Défense CEDEX – France.

Distribution of the summary prospectus and the offer or purchase of units in the Fund may be subject to restrictions in certain countries. The summary prospectus does not constitute an offer or solicitation by any party in any jurisdiction in which such an offer or solicitation would be unlawful or in which the person making the offer or solicitation is not qualified so to do or to any person to whom it would be unlawful to make such an offer or solicitation. Units in the Fund have not been and will not be offered or sold in the United States on behalf of or for the benefit of a citizen or resident of the United States.

No persons other than those listed in the summary prospectus are authorised to provide information about the Fund.

Potential subscribers should apprise themselves of the legal requirements applicable to this subscription request and obtain information about exchange control regulations and the tax regime applicable in their country of citizenship or residency or the country in which they are domiciled.

UNIT LISTING CURRENCY

Euro

INCEPTION DATE

This Fund was approved by the *Autorité des Marchés Financiers* (Financial Markets Authority) on 22 November 2005. It was created on 19 January 2006.

INITIAL NET ASSET VALUE

121.74 EUR per unit (equal to the value of the MSCI SPAIN™ index at 18 January 2006).

UNITS MADE AVAILABLE TO THE MARKET

On October 3rd, 2006, a total of 5 667 units in the LYXOR ETF IBEX35® fund will be made available to the market at a price per unit corresponding to one-hundredth of the value of the IBEX35® index.

ADDITIONAL INFORMATION

The full prospectus and most recent annual report and updates are sent out within one week upon receipt of a written request submitted by investors to:

LYXOR INTERNATIONAL ASSET MANAGEMENT
17, cours Valmy – 92987 Paris La Défense CEDEX – France.
e-mail: contact@lyxor.com

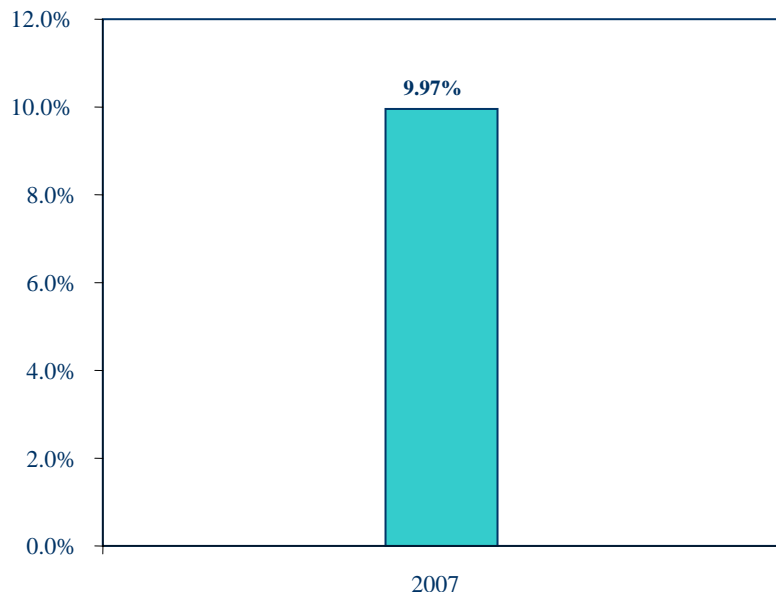
Requests for information can also be submitted via the www.lyxoref.com website.

The AMF website (www.amf-france.org) contains additional information about the list of regulatory documents and all provisions relating to the protection of investors. The summary prospectus must be provided to subscribers prior to subscription.

Prospectus publication date: 3 September 2008.

FUND STATISTICS AND PERFORMANCE INFORMATION

FUND PERFORMANCE TO 31/12/07



Annualised Performance	1 year	3 years	5 years
LYXOR ETF IBEX35	9.97%		
IBEX35 (EUR)	9.92%		

WARNING / COMMENTS

Past performance is no guarantee of future performance as performance always varies over time.

*IBEX35 (EUR)
The Fund replicates the performance of the closing price of the IBEX 35 index. The performance calculations are carried out net coupons reinvested (where applicable)*

FEES CHARGED TO THE FUND DURING THE LAST FINANCIAL YEAR ENDED 31/01/2008

LYXOR ETF IBEX 35

FEES CHARGED TO THE UCIT DURING THE LAST FINANCIAL YEAR ENDED 31/01/2008

Operating and management fees	0.30%
Cost produced by investment in other UCITs or investment funds This cost is determined by: - costs associated with the purchase of the UCITs and investment funds, after deduction of onlending negotiated by the UCIT investment-management company.	- % - % - %
Other costs invoiced to the UCIT Those charges are made up of: - performance fee movement commissions	- % - % - %
Total invoiced to the UCIT during the financial year just ended	0.30%

Operating and management costs

These costs cover all charges invoiced directly to the UCIT, apart from transaction costs, also, where applicable, performance fee. Transaction costs include costs of intermediation (brokerage, transaction taxes, etc) and movement commission (see below). Operating and management costs include notably costs of financial management, admin and accountancy management costs, depository, custodian and auditing charges.

Costs produced by the purchase of UCIT and/or investment funds

Some UCITs invest in other UCITs or in investment funds under foreign law (target UCIT).

Purchases and holdings of a target UCIT (or investment fund) entail the UCIT purchaser bearing both types of costs valued here:

- *subscription/redemption commissions. However, the portion of those commissions acquired at the target UCIT is included in transaction costs and is therefore not accounted for,*
- *charges invoiced directly to the target UCIT, which represent indirect costs to the UCIT purchaser.*

In some instances, the UCIT purchaser may negotiate onlending, i.e. rebates on some of these costs. Those rebates have the effect of reducing the total cost that the UCIT purchaser will actually bear.

Other costs invoiced to the UCIT

Other costs may be invoiced to the UCIT. These relate to:

- *out-performance fee. These pay the management company once the UCIT has passed its targets,*
- *movement commissions. The movement commission is a commission charged to the UCIT on each operation on the portfolio. The full prospectus gives details of the commissions. The management company may take advantage of the conditions set out in section A of the simplified prospectus.*

The investor's attention is drawn to the fact that costs may vary widely from one year to the next, and that the figures shown here are those established during the previous financial year.

INFORMATION ON TRANSACTIONS DURING THE FINANCIAL YEAR ENDED 31/01/2008

The turnover rate on the share portfolio was 10.56 times the average net assets; operations are accounted for including costs, the costs are not differentiated across a dedicated account when accounting for the UCIT.

Transactions between the management company for the account of the UCITs it manages and the associated companies are represented on the total transactions for this financial year:

Asset classes	Transactions
Shares	100.00%
Credit instruments	100.00%

DETAILED MEMORANDUM

DETAILED CHARACTERISTICS

FORM OF THE FUND

NAME

LYXOR ETF IBEX35.

LEGAL FORM AND MEMBER STATE IN WHICH THE FUND WAS CREATED

Fonds Commun de Placement (FCP, unincorporated mutual fund) registered in France.

INCEPTION DATE AND PLANNED DURATION

This Fund was approved by the *Autorité des Marchés Financiers* on 22 November 2005. It was created on 19 January 2006 for a period of 99 years.

SUMMARY DETAILS

INITIAL NET ASSET VALUE	Sub-funds	ISIN code	Distribution	Currency	Subscribers concerned	Minimum amount	Market
121.74 EUR	No	FR0010251744	The management company reserves the right to distribute and/or accumulate all or part of the Fund's income	Euros	The Fund is open to any subscriber	None	Bolsa de Madrid

AVAILABILITY OF THE LAST ANNUAL REPORT AND PERIODIC REPORT

The most recent annual report and updates are sent out within one week upon receipt of a written request submitted by investors to:

LYXOR INTERNATIONAL ASSET MANAGEMENT.

17, cours Valmy – 92987 Paris La Défense CEDEX – France.

e-mail: contact@lyxor.com.

Requests for information can also be submitted via the www.lyxoretf.com website.

PARTIES INVOLVED

MANAGEMENT COMPANY

LYXOR INTERNATIONAL ASSET MANAGEMENT.

Public limited company ("*société anonyme*") with an executive board and supervisory board.

Registered office: 17, cours Valmy – 92987 Paris La Défense CEDEX – France.

Postal address: Tour Société Générale – A08 – 17, cours Valmy – 92987 Paris-La Défense Cedex – France.

ADMINISTRATIVE AGENT, CUSTODIAN BANK AND REGISTRAR

SOCIETE GENERALE.

Credit institution created on 8 May 1864, date of the authorisation decree signed by Napoleon III.

Registered office: 29, bd Haussmann – 75009 Paris – France.

Postal address: 50, bd Haussmann – 75431 Paris Cedex 09 – France.

STATUTORY AUDITORS

PRICEWATERHOUSECOOPERS AUDIT.

Public limited company ("*Société anonyme*").

Registered office: 63, rue de Villiers – 92208 Neuilly-sur-Seine – FRANCE.

Signatory: Marie-Christine JETIL.

REPRESENTATIVES

Lyxor International Asset Management will alone handle the Fund's financial and administrative affairs without any delegation to third parties, except for portfolio accounting services.

Responsibility for portfolio accounting is delegated to:

EURO-NAV.

Immeuble Colline Sud – 10, passage de l'Arche – 92081 Paris-La Défense Cedex – France.

OPERATING AND MANAGEMENT PROCEDURES

GENERAL CHARACTERISTICS

CHARACTERISTICS OF THE UNITS

The units are listed in a register in the name of the establishments holding accounts for subscribers on their behalf. The register is kept by Société Générale's Département des Titres et de la Bourse (Securities and Stock Market Department).

Each unitholder has a co-ownership right to the Fund's net assets proportional to the number of units held.

The units do not bear any voting rights as decisions are made by the management company.

The units are bearer units. Units may not be split.

FINANCIAL YEAR-END

Last trading day in January.
First year-end: 31 January 2007.

INFORMATION ABOUT THE TAX REGIME

Fund eligible for French equity savings (PEA) plans. The Fund can also be used for unit-linked life insurance policies.

Investors' attention is drawn to the fact that the following information is only a general summary of the tax regime applicable to investment in a French FCP under current legislation in France. Investors are therefore advised to consider their specific situation with their usual tax advisor.

1. Fund

In France, the co-ownership structure of FCPs means that they fall outside the scope of corporation tax; they therefore benefit from a certain level of transparency. Income received and generated by the Fund through its management activities is not therefore taxable at the level of the Fund.

Outside France (in the countries in which the Fund invests), capital gains on the disposal of foreign negotiable securities and income from foreign sources received by the Fund through its management activities may, if applicable, be subject to tax (generally in the form of withholding tax). In certain limited cases, foreign taxation may be reduced or cancelled in the presence of any applicable tax treaties.

2. Unitholders

2.1 Unitholders resident in France

Income received and the PV generated are subject to tax under common law.

Investors are advised to consider their specific situation with their usual tax advisor.

2.2 Unitholders resident outside France

Subject to the applicable tax treaties, income distributed by the Fund may, if applicable, be subject to a standard deduction at source or withholding tax in France.

In accordance with article 244 bis C of the French Tax Code, capital gains on the purchase/disposal of Fund units are not taxable in France.

Unitholders resident outside France will be subject to applicable tax legislation in their country of residence.

SPECIFIC INFORMATION

CLASSIFICATION

Equities from Countries of the European Community.

The Fund is an index tracker.

INVESTMENT OBJECTIVE

The Fund's investment objective is to replicate movements in the IBEX35® index, whatever they are, while minimising as far as possible the tracking error between the Fund's performance and that of the IBEX35® index.

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

If the tracking error exceeds 1% nonetheless, the objective is to remain below 5% of the volatility of the IBEX35® index.

BENCHMARK INDEX

The benchmark index is the IBEX35® index, increased by the potential dividends the Fund may receive from the holding of the stocks of the index.

The IBEX35® index is an equity index calculated and published by Sociedad de Bolsas.

The IBEX35® index includes 35 Spanish stocks selected according to a criterion of liquidity.

The methodology of the construction of the IBEX35® index is available on the Sociedad de Bolsas internet website: www.ibex35.com.

The performance tracked is that of index closing prices.

INVESTMENT STRATEGY

1. Strategy employed

The Fund will comply with the investment rules set out in Council Directive 85/611/EEC of 20 December 1985 as amended by Directives 2001/107/EC and 2001/108/EC.

To achieve the highest possible correlation with the performance of the IBEX35® index, the Fund will purchase a basket of equities from countries in the European Community and, for up to 10% of its assets, an OTC swap contract on equities and indices to convert the Fund's exposure to equities held as assets into exposure to the IBEX35® index.

The Fund's assets will be invested constantly at a level over 80% of the equities markets of the countries of the European Community.

The Fund's assets will be mainly the equities that make up the IBEX35® index, as well as other European equities and all economic sectors, listed on all markets including small cap markets.

The Fund's equity assets will be chosen so as to limit the cost of replicating the index and to obtain a performance of the equity basket as close as possible to that of the IBEX35® index.

As part of the management of the basket of shares, the Fund qualifies for the special investment ratios applicable to index-tracking UCITS: a maximum of 20% of the compartment's assets may be invested in equities issued by the same entity. This 20% limit may be increased to 35% for a single issuing entity.

In this case, the Fund manager intends to use primarily the following assets:

2. Balance sheet assets (excluding embedded derivatives)

The Fund will follow the investment rules indicated by the European directive n° 85/611/EEC dated 20 December 1985 (modified).

In accordance with the regulatory ratios, the Fund manages shares from European Community countries (across all economic sectors, listed on all markets), representing up to 100% of net assets.

The Fund may invest up to 10% of its net assets in UCITS complying with Council Directive 85/611/EEC (UCITS) as amended by Directives 2001/107/EC and 2001/108/EC.

As part of the future optimisation of the Fund's management, the manager reserves the right to use other instruments in accordance with the regulations in order to achieve its investment objective.

The Fund may invest up to 10% of net assets in undertakings for collective investment in transferable securities (UCITS) in accordance with Council Directive 85/611/EEC as amended by Directives 2001/107/EC and 2001/108/EC (UCITS Directive) and in other collective investment undertakings within the meaning of article 19(1)(e) of the UCITS Directive.

3. Off-balance sheet assets (derivatives)

For up to 10% of its net asset value, the Fund will use OTC equity-linked swaps exchanging the value of the Fund's equity assets (or any other financial instrument held as an asset by the Fund, where applicable) for the value of the IBEX35® index.

As part of the future optimisation of the Fund's management, the manager reserves the right to use other instruments in accordance with the regulations in order to achieve its investment objective, such as forward financial instruments other than *equity-linked swaps*.

This contract can be negotiated with Société Générale, and does not require any calling for competition with several counterparts. In order to reduce the risk that such instruments are not executed under the best conditions, Société Générale has accepted to categorise the Fund in the "professional customer" category, which offers more protection than the "eligible counterpart" category. When there is no calling for competition between several counterparts, the manager further requires that Société Générale contractually commit to taking all measures within reason in order to obtain, when executing orders, the best possible result for the Fund, in accordance with Article L. 533-18 of the French Monetary and Financial Code.

4. Securities with embedded derivatives

None.

As part of the future optimisation of the Fund's management, the manager reserves the right to use other instruments in accordance with the regulations in order to achieve its investment objective, such as debt securities with embedded derivatives.

5. Deposits

For up to 20% of the net asset value, the Fund may make deposits with lending institutions in order to optimise its cash management.

6. Cash borrowing

For up to 10% of the net asset value, the Fund may arrange borrowings, in particular to optimise its cash management.

7. Temporary purchases and disposals of securities

None.

As part of the future optimisation of the Fund's management, the manager reserves the right to use other instruments in accordance with the regulations in order to achieve its investment objective, such as:

- reverse repurchase agreements in exchange for cash, as governed by articles L.432-12 *et seq.* of the French Monetary and Financial Code, for up to 100% of the net asset value;
- repurchase agreements in exchange for cash, as governed by articles L.432-12 *et seq.* of the French Monetary and Financial Code, for up to 10% of net asset value;
- securities lending/borrowing for up to 10% of the net asset value.

RISK PROFILE

Unitholders' money will be invested primarily in financial instruments selected by the management company. These instruments will fluctuate in line with the markets.

Through the Fund, investors are exposed to the following main risks:

1. 100% of the market risks relating to changes in the IBEX35® index which is an index comprised of Spanish stocks. If the index drops, the net asset value of the Fund will drop; the Fund thus presents a high risk profile.

2. Risk that the Fund's investment objective is only partially achieved.

There is no guarantee that the Fund's investment objective will be achieved. Indeed, no asset or financial instrument will allow automatic and continuous replication of the IBEX35® index: any re-weighting of the IBEX35® index may result in miscellaneous transaction or friction costs. Likewise, the Fund may not be able to replicate perfectly the performance of the IBEX35® index, mainly because of the temporary unavailability of certain stocks in the index or exceptional circumstances that may create distortions in index weightings. Also, in case of temporary suspension or interruption of the listing of the securities comprising the Fund's index.

3. Since the initial investment is not guaranteed, risk that the invested capital may be lost, the performance of the IBEX35® index may be negative.

4. Counterparty risk: the Fund shall be exposed to the counterparty risk resulting from the use of OTC financial instruments contracted with a lending institution. The Fund is therefore exposed to the risk that the lending institution may not be able to honour its commitments with regard to these instruments. For each counterparty, the counterparty risk resulting from the use of these financial instruments is limited at any time to 10% of the Fund's net asset value.

SUBSCRIBERS CONCERNED AND TYPICAL INVESTOR PROFILE

The Fund is open to any subscriber.

An investor subscribing to this Fund wishes to obtain an exposure to Spanish zone equity markets.

The amount that can be reasonably invested in the Fund depends on each investor's personal situation. To determine this amount, investors must take into account their personal wealth and/or estate, and their cash requirements at present and for the next five years, as well as whether they wish to take risks or opt instead for a cautious investment approach. Investors are also advised to diversify their investments sufficiently so as not to be exposed solely to the risks of the Fund.

All investors are therefore asked to consider their specific situation with the help of their usual investment advisor.

The recommended minimum investment period is more than five years.

CALCULATION AND ALLOCATION OF INCOME

The management company reserves the right to distribute and/or accumulate all or part of the Fund's income. Recognition using the cash-basis method.

FREQUENCY OF INCOME DISTRIBUTIONS

Any distributions of income will be made once a year.

CHARACTERISTICS OF THE UNITS

Subscriptions are made by amount or whole numbers of units.

Redemptions are made in whole numbers of units.

SUBSCRIPTION AND REDEMPTION PROCEDURES

Subscription / redemption requests are received and centralised by the Société Générale Securities and Stock Market Department between 10 am and 5 pm (Paris time), before 5 pm (Paris time) each Market Day in Paris preceding the day the net asset value is established on the basis of which they will be executed.

The address of the Société Générale Securities and Stock Market Department is as follows:

32 rue du Champ de Tir

BP 81236

44 312 Nantes CEDEX 3

Telephone: + 33 2 51 85 57 09

CHARGES AND COMMISSION FEES

Subscription and redemption fees

Subscription and redemption fees are added to the subscription price paid by the investor or deducted from the redemption price. Commission fees paid to the Fund are to compensate for the charges incurred by the Fund in buying or selling the entrusted assets. Any remaining commission fees go to the management company, marketing agent, etc.

Fees payable by the investor, charged upon subscription or redemption	Base	Rate
Subscription fee not allocated to the Fund	Net asset value × number of units	maximum between (i) €20,000 per subscription request and (ii) 2% of the net asset value per unit multiplied by the number of shares subscribed, that can be retroceded to third parties
Subscription fee allocated to the Fund	Net asset value × number of units	None
Redemption fee not allocated to the Fund	Net asset value × number of units	maximum between (i) €20,000 per redemption request and (ii) 2% of the net asset value per unit multiplied by the number of shares redeemed, that can be retroceded to third parties
Redemption fee allocated to the Fund	Net asset value × number of units	None

Operating and management fees

These fees cover all costs charged directly to the Fund, with the exception of transaction fees. Transaction fees include intermediation expenses (brokerage, stock exchange taxes etc.) and transfer fees, if applicable, which may be levied by the custodian and the management company. The following fees may also be charged in addition to operating and management fees:

- outperformance fees. These are paid to the management company if the Fund exceeds its objectives. They are therefore charged to the Fund;
- transfer fees charged to the Fund;
- a share of income from the temporary acquisition and sale of securities.

For more details about fees charged to the Fund, please refer to the Fund Statistics section of the summary prospectus.

Fees charged to the Fund	Base	Rate
Operating and management fees incl. taxes ⁽¹⁾	Net asset value	0.3% p.a. maximum
Outperformance fee	Net asset value	None
Service providers charging transfer fees:	Charge on each transaction	None

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

No transfer fees will be charged to the Fund.

Temporary purchases and disposals of securities

Payment for transactions concerning the lending securities is shared between the UCITS and the management company. 50% benefits the UCITS and 50% benefits the management company.

Soft commission

Lyxor International Asset Management does not receive any soft commission for its own account or for third parties.

COMMERCIAL INFORMATION

Fund units are admitted to trading by Euroclear France SA.

Subscription and redemption orders are sent by investors' financial intermediaries (members of Euroclear France SA) to Société Générale's Département des Titres et de la Bourse (Securities and Stock Market Department).

The address of the Société Générale Securities and Stock Market Department is as follows:

32 rue du Champ de Tir
 BP 81236
 44 312 Nantes CEDEX 3
 Telephone: + 33 2 51 85 57 09
 Fax: + 33 2 51 85 58 71

INVESTMENT RULES

The Fund will comply with the investment rules set out in Council Directive 85/611/EEC of 20 December 1985 as amended by Directives 2001/107/EC and 2001/108/EC.

The Fund will comply with the applicable regulatory ratios and may use the provisions stipulated in articles R.214-6, R.214-7 and R.214-25 of the French Monetary and Financial Code – Regulatory Section.

The Fund may use up to 20% of its assets for instruments mentioned in a), b), d) and f) of paragraph 2 of article R214-1-1 issued by the same entity. This limit may be increased to 35% for a single issuing entity, in accordance with Article R. 214-28 du French Monetary and Financial Code – Regulatory Section.

A straight-line method is used in calculating off-balance sheet commitments.

ASSET VALUATION AND ACCOUNTING RULES

A. VALUATION RULES

The Fund's assets are valued in accordance with the applicable laws and regulations, more specifically the rules set out in CRC Regulation no. 2003-02 of 2 October 2003 relating to the chart of accounts for UCITS (1st part).

Financial instruments traded on a regulated market are valued at the closing price recorded on the day prior to the calculation of the net asset value. If these financial instruments are traded on several regulated markets at the same time, the closing price used is that recorded on the regulated market on which they are principally traded.

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

- negotiable debt securities with a residual term to maturity of less than three months on acquisition are valued at their purchase price. Any discount or premium to redemption value is amortised on a straight-line basis over the residual term of the instrument. The management company nevertheless reserves the right to value these instruments at their market price if they are particularly sensitive to any market risks (interest rate risk, etc.). The rate applied is that of issues of equivalent securities adjusted by the risk margin relating to the issuer;
- negotiable debt securities with a residual term to maturity of more than three months on acquisition, but with a residual term to maturity at the accounting date on which net asset value is calculated of three months or less are valued at the last known market price. Any discount or premium to redemption value is amortised on a straight-line basis over the residual term of the instrument. The management company nevertheless reserves the right to value these instruments at their market price if they are particularly sensitive to any market risks (interest rate risk, etc.). The rate applied is that of issues of equivalent securities adjusted by the risk margin relating to the issuer;
- negotiable debt securities with a residual term to maturity of more than three months at the calculation date of net asset value are valued at their market price. The rate applied is that of issues of equivalent securities adjusted by the risk margin relating to the issuer.

Financial futures traded on organised markets are valued at the clearing price on the day prior to the calculation of the net asset value. Options traded on organised markets are valued at their market price on the day prior to the calculation of the net asset value. Futures and options traded over the counter are valued at the price given by the counterparty of the financial instrument. The management company monitors these prices independently.

Deposits are valued at their nominal value plus accrued interest.

Warrants, treasury bills, promissory notes and mortgage notes are valued at their probable trading value by the management company.

Temporary purchases and disposals of securities are valued at the market price.

Units and shares in UCITS under French law are valued at the last known net asset value on the day the Fund's net asset value is calculated.

Units and shares in investment funds not registered under French law are valued at the last known net asset value per unit on the day the Fund's net asset value is calculated.

Financial instruments traded on a regulated market for which the price has not been observed or the price of which has been corrected are valued at their probable trading value by the management company.

The exchange rates used to value financial instruments denominated in currencies other than the Fund's reference currency are the exchange rates provided by the European Central Bank on the day prior to that on which the Fund's net asset value is calculated.

B. ACCOUNTING METHOD: TRADING FEES

Trading fees are included in the initial cost of the related transaction.

C. ACCOUNTING METHOD: INCOME FROM FIXED-INCOME SECURITIES

Income from fixed-income securities is recognised using the cash-basis method.

D. DIVIDEND POLICY

The management company reserves the right to distribute and/or accumulate all or part of the Fund's income.

E. ACCOUNTING CURRENCY

The Fund's accounts are kept in euros.

TITLE 1

ASSETS AND UNITS

Article 1 – Co-ownership units

The rights of the co-owners are stated in terms of units, with each unit corresponding to an equal portion of the Fund's assets. Each unitholder has a co-ownership right to the Fund's assets proportional to the number of units held.

The life of the Fund begins on the date of its approval by the *Autorité des Marchés Financiers* and runs for a period of 99 years, except in the event of early dissolution or extension as indicated in these internal regulations.

The Fund reserves the right to combine or divide units.

The units may be divided, if so decided by the management company, into 100-thousandths known as unit fractions.

The provisions relating to the issue and redemption of units apply to units with a value proportional to that of the share they represent. All other provisions relating to units apply to units without the need to stipulate this, unless indicated otherwise.

Finally, the management company's executive board may, at its sole discretion, carry out the division of units through the creation of new units that are allocated to unitholders in exchange for old units.

Article 2 – Minimum amount of assets

The minimum amount of assets in the Fund when it is created is 400,000 euros.

Units may not be redeemed if the Fund's asset value falls below 300,000 euros. In this case, unless the asset value reverts above this level in the meantime, the management company will take the necessary provisions to merge or dissolve the Fund within 30 days.

Article 3 – Issue and redemption of units

Units are issued at any time at the request of unitholders on the basis of their net asset value plus, where appropriate, subscription fees.

Subscriptions and redemptions are carried out in accordance with the terms and procedures set out in the summary prospectus and the detailed memorandum of the full prospectus.

Fund units may be admitted to trading in accordance with the applicable regulations.

Subscriptions must be paid up in full on the day net asset value is calculated. They may be made in cash and/or through the transfer of securities. The management company reserves the right to refuse the proposed securities and, for this purpose, has a period of 7 days starting from the deposit to render a decision. If accepted, the transferred securities are evaluated according to the rules set forth in Article 4 and the subscription is carried out based on the first net asset value following acceptance of the securities concerned.

Redemptions are carried out exclusively in cash or through the transfer of securities. They are paid by the custodian within a maximum of five days from the valuation of the unit. However, if under exceptional circumstances redemption requires the prior realisation of the Fund's assets, this period could be extended but may not exceed 30 days.

Except in the case of inheritance or an *inter-vivos* distribution, the disposal or transfer of units between unitholders or from unitholders to a third party is equivalent to a redemption followed by subscription. If this involves a third party, if applicable, the beneficiary must supplement the amount of the disposal or transfer to bring it up to the minimum subscription amount as required in the summary prospectus and the full prospectus.

Pursuant to article L.214-30 of the French Monetary and Financial Code, redemption of units by the Fund and the issuance of new units may be suspended provisionally by the management company if required by exceptional circumstances and in the interests of unitholders.

If the Fund's net asset value falls below the level laid down in the regulations, no units may be redeemed.

Article 4 – Calculation of net asset value

The net asset value of the units is calculated using the valuation rules set out in the detailed memorandum of the full prospectus.

TITLE 2

FUND OPERATION

Article 5 – Management company: LYXOR INTERNATIONAL ASSET MANAGEMENT

The Fund is managed by the management company in accordance with the Fund's strategy.

Under all circumstances, the management company acts on behalf of unitholders and is the only party able to exercise voting rights attached to shares held by the Fund.

Article 5b – Operating rules

Instruments and deposits eligible for inclusion in the Fund's assets and the investment rules are set out in the detailed memorandum of the full prospectus.

The Fund may invest up to 10% of net assets in undertakings for collective investment in transferable securities (UCITS) in accordance with Council Directive 85/611/EEC as amended by Directives 2001/107/EC and 2001/108/EC (UCITS Directive) and in other collective investment undertakings within the meaning of article 19(1)(e) of the UCITS Directive.

Article 6 – Custodian bank: SOCIETE GENERALE

The custodian bank holds the Fund's assets and handles the management company's orders to buy and sell securities and those relating to the exercise of subscription and allocation rights attached to shares held by the Fund. It handles all receipts and payments.

The custodian bank must ensure that the management company's decisions are lawful. If necessary, it must take all the protective measures it deems appropriate. In the event of a dispute with the management company, it must inform the *Autorité des Marchés Financiers*.

Article 7 – Statutory auditor

A statutory auditor is appointed by the management company's executive board for a term of six financial years after approval from the *Autorité des Marchés Financiers*.

He performs the procedures and controls required by law and certifies, wherever necessary, that the financial statements and accounting information provided in the management report provide a true and fair view.

The statutory auditor may be reappointed.

He informs the *Autorité des Marchés Financiers*, as well as the management company of the Fund, of any irregularities or inaccuracies identified in the course of his audit.

Valuations of assets and the exchange ratios determined for conversions, mergers or demergers are verified by the statutory auditor.

He assesses all contributions in kind and is responsible for drawing up a report on the valuation thereof and payments made in consideration.

He confirms the accuracy of the breakdown of assets and other information prior to publication.

The statutory auditor's fees are set under a joint agreement with the management company's executive board on the basis of a work schedule defining the measures considered necessary.

In the event of liquidation, he values the amount of assets and prepares a report on the conditions of the liquidation.

He validates the accounting statements serving as the basis for the payment of interim dividends.

The statutory auditor's fees are included in the management fees.

Article 8 – Financial statements and management report

At the end of each financial year, the management company prepares summary documents and a report on the management of the Fund over the financial year then ended.

The inventory is certified by the custodian and all of the above documents are verified by the statutory auditor.

The management company makes these documents available to unitholders within four months of the end of the financial year and informs them of the amount of income to which they are entitled: these documents are sent either by post on the express request of unitholders or made available at the premises of the management company or the custodian.

TITLE 3

APPROPRIATION OF INCOME

Article 9

Net income for the year is equal to the amount of interest, arrears, dividends, premiums, bonuses and directors' fees, as well as all income relating to securities making up the Fund's portfolio, plus income from temporary cash holdings, less management fees and borrowing costs.

Income available for distribution is equal to net income for the year plus retained earnings, plus or minus the balance of income adjustment accounts relating to the financial year then ended.

The management company decides on the appropriation of income each year. The management company may decide, in the course of the financial year, to pay one or more interim dividends up to the level of net income at the date of the decision.

TITLE 4

MERGER – DEMERGER – DISSOLUTION – LIQUIDATION

Article 10 – Merger – Demerger

The management company may either contribute, in whole or in part, the Fund's assets to another UCITS under its management, or split the Fund into two or more other FCPs under its management.

Mergers or demergers may be carried out only one month after unitholders are notified. A new certificate is issued showing the number of units held by each unitholder.

Article 11 – Dissolution – Extension

- If the Fund's assets remain below the level set out in Article 2 above for 30 days, the management company duly informs the *Autorité des Marchés Financiers* and shall dissolve the Fund, except in the event of a merger with another fund.

- The management company may dissolve the Fund at an earlier date; it informs unitholders of its decision and subscription or redemption requests will not be accepted from this date onwards.

- The management company shall also dissolve the Fund if a request is made for redemption of all units, if the custodian's appointment is terminated and no other custodian has been appointed or upon expiry of the Fund's life, if it has not been extended.

The management company informs the *Autorité des Marchés Financiers* by post of the dissolution date and procedure. It then sends the statutory auditor's report to the *Autorité des Marchés Financiers*.

The management company may decide to extend the Fund's life with the agreement of the custodian. Its decision must be made at least three months prior to expiry of the Fund's life and communicated to unitholders and the *Autorité des Marchés Financiers*.

Article 12 – Liquidation

In the event of dissolution, the custodian or the management company is responsible for liquidation. For this purpose, they have the full powers to sell the Fund's assets, settle liabilities and distribute the available balance between unitholders in cash or securities.

The statutory auditor and the custodian shall continue to perform their duties until liquidation is complete.

TITLE 5

DISPUTES

Article 13 – Competent courts – Jurisdiction

Any disputes relating to the Fund that may arise during the operation of the Fund or on its liquidation, either between unitholders or between unitholders and the management company or the custodian, are subject to the jurisdiction of the competent courts.