

Press release

10th July 2019

Lyxor launches Europe's first Emerging Markets ex-China ETF

Lyxor has launched Europe's first Emerging Markets (EM) ex-China ETF, which gives investors a simple, cost-effective way to access a variety of developing economies outside of China.

China will provide around 28% of global GDP growth in 2019–2020, according to Bloomberg's analysis of the IMF World Economic Outlook (April 2019). Yet many European investors wishing to access China still use broad EM funds which group it together with smaller developing countries, making it hard to manage their allocation to Asia's superpower precisely.

Given China's size, high population and ongoing market liberalisation, Lyxor believes the country should play a bigger role in portfolios, and that it should now be considered as a separate, standalone allocation – one which dovetails nicely with a broad EM exposure which excludes the country. The new **Lyxor MSCI Emerging Markets Ex China UCITS ETF** provides exposure to 25 emerging equity markets, including Brazil, South Korea and India, but excluding China. Investors can then invest in China separately with single-country ETFs, allowing for more precision in portfolio weighting.

Chanchal Samadder, Head of Equities at Lyxor ETF: "This new ETF allows investors to gain a broad exposure to some of the world's most dynamic developing countries and, at the same time, make their own independent allocations to China. We're proud to be the first to bring this exposure to the European ETF market, as we firmly believe it will become an important strategic benchmark for clients."

With this new launch, investors now have a complete toolkit with which to manage their EM and China allocation. Lyxor's range includes the lowest cost MSCI China ETF in Europe with an annual management fee of 0.30% for broad market access, a unique MSCI China A ETF which already includes A-Share mid-caps ahead of MSCI's inclusion timeline, and a 12-year old China Enterprise (HSCEI) ETF offering exposure to H-Shares.¹

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Nathalie BOSCHAT Head of Communications - Lyxor
Tel.: +33 1 42 13 84 84
Email: communication@lyxor.com

LYXOR INTERNATIONAL ASSET
MANAGEMENT SAS
with share capital of EUR 1,059,696

Registered in the Nanterre Trade and
Companies Register (RCS) under no. 419
223 375
APE no.: 652E

Registered office: Société Générale Twin
Towers
17 cours Valmy 92800 Puteaux

The new Lyxor MSCI Emerging Markets Ex China UCITS ETF is synthetically replicated and has an annual management fee (or Total Expense Ratio) of 0.30%. It has been listed in EUR on Deutsche Boerse (Xetra) and in USD on the London Stock Exchange.

¹Source: Lyxor International Asset Management, as at 19th June 2019. Statements about Lyxor's credentials vs. peers refer to the European UCITS ETF market only.

Notes to editors:



ETF name	Index name	Replication method	Bloomberg ticker	ISIN code	Total Expense Ratio (TER)
Lyxor MSCI Emerging Markets ex China UCITS ETF	MSCI Emerging Markets ex China Net Total Return Index	Synthetic	EMXC	LU2009202107	0.30%

Media Contact:

Claire Thibeau

Tel: +33 1 42 13 84 88

Email: claire.thibeau@lyxor.com

Key risks:

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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.

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 Societe Generale. 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, Societe Generale or other market- maker systems; or an abnormal trading situation or event.

It is important for potential investors to evaluate the risks described above and in the fund prospectus which can be found on www.lyxoretf.com

Lyxor Asset Management Group ("the Lyxor group"), wholly-owned directly or indirectly by Societe Generale and composed notably of two subsidiaries (1) (2), is a European asset management specialist, an expert in all investment styles, active, passive or alternative. From ETFs to multi-management, with EUR 137.9 billion* under management and advisory, Lyxor group creates innovative investment solutions to meet the long-term challenges of managing savings. Thanks to its experts and its engineering tradition and research, Lyxor group combines search for performance and risk management.

⁽¹⁾ Lyxor Asset Management S.A.S. is approved by the «Autorité des marchés financiers» (French regulator) under the agreement # GP98019.

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⁽²⁾ Lyxor International Asset Management S.A.S. is approved by the «Autorité des Marchés Financiers» (French regulator) under the agreement # GP04024.

*Including EUR 16.1bn assets under advisory as at end April 2019.

Lyxor International Asset Management : ETF Pioneers since 2001

Lyxor has been running ETFs since 2001, longer than any other European provider. Our pioneering spirit helped shape the market as you know it today. Over the last 18 years, we've become one of Europe's three largest¹ ETF managers. And we've built one of its most far-reaching ranges, which spans all asset classes, and includes some of the lowest cost, largest, and best performing ETFs.¹

We now offer more than 220 ways to explore the markets. So, whether investors are seeking essential, low cost core index exposure, or reaching out for more tactical opportunities in specific sectors or markets, we have a product to match their needs. Staying true to our pioneering heritage, we continue to expand the frontiers of fixed income ETFs where we rank number 3 in Europe, and develop new solutions for ESG, Smart Beta or income investors.¹

Our aim from the start has been to create ETFs of the highest calibre that can be trusted in any market. In 2011 we introduced our ETF Quality Charter to ensure that every one of our 220+ funds meets the same exacting standards for tracking precision, product liquidity, risk management and transparency.

¹Source: Lyxor International Asset Management, as at 31/05/2019. Lyxor ETF AUM totalled €60.2bn as at 31/05/2019. Past performance is not a reliable indicator of future results.

Important information

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Some of the funds described in this brochure are investment companies with Variable Capital (SICAV) incorporated under Luxembourg Law, listed on the official list of Undertakings for Collective Investment, authorised under Part I of the Luxembourg Law of 17th December 2010 (the "2010 Law") on Undertakings for Collective Investment in accordance with provisions of the Directive 2009/65/EC (the "2009 Directive") and subject to the supervision of the Commission de Surveillance du Secteur Financier (CSSF).

These funds are sub-fund of either Multi Units Luxembourg or Lyxor Index Fund and have been approved by the CSSF. 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.amffrance.org). The prospectus in English and the KIID in the relevant local language (for all the countries referred to, in this document

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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

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