

# LYXOR ETF EURO STOXX 50 DAILY DOUBLE SHORT

**rapport**  
annuel

FONDS COMMUN DE PLACEMENT - FCP DE DROIT FRANÇAIS

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The Prospectus, the Simplified Prospectus, the Articles of Association of the Company, the most recent annual report, the most recent half-yearly report as well as a detailed statement of the changes in the composition of the securities portfolio may be inspected at and are available free of charge from the German Paying and Information, Agent Société Générale S.A. Frankfurt Branch, Neue Mainzer Straße 46-50, 60311 Frankfurt am Main.

<b>Marketer</b>	SOCIÉTÉ GÉNÉRALE SA Tour Granite - 75886 Paris Cedex 18.
<b>Management company</b>	LYXOR INTERNATIONAL ASSET MANAGEMENT 17, cours Valmy - 92800 Puteaux.
<b>Depository and Custodian</b>	SOCIÉTÉ GÉNÉRALE SA Tour Granite - 75886 Paris Cedex 18.
<b>Statutory auditors</b>	KPMG AUDIT 1, cours Valmy - 92923 Paris. Signatory: Gérard GAULTRY

## INFORMATION ON THE INVESTMENTS AND MANAGEMENT

**Classification:** Diversified.

The MF is an index-based strategy fund.

**Allocation of the earnings:** capitalisation.

**Management objective:** The MF's management objective is to obtain an inverse exposure and with x2 daily leverage, upward or downward, to the European equities market while reproducing the evolution to the EURO STOXX 50® Daily Double Short strategy index (cf. "Benchmark indicator" section), and while insofar as possible minimising the tracking error between the MF's performances and those of the EURO STOXX 50® Daily Double Short strategy index. The tracking error objective, calculated over a period of 52 weeks, is less than 1%.

Should the tracking error nevertheless be higher than 1%, the objective is still to remain below 5% of the volatility of the EURO STOXX 50® Daily Double Short strategy index.

**Benchmark indicator:** The benchmark indicator is the EURO STOXX 50® Daily Double Short strategy index, listed in Euros (EUR).

The EURO STOXX 50® Daily Double Short is a strategy index defined by the supplier of international indices Stoxx Ltd.

The EURO STOXX 50® Daily Double Short strategy index offers a daily inverse exposure, upward or downward, to the evolution of the EURO STOXX 50® Total Return index with x2 leverage effect. As such, in case of a decline of the EURO STOXX 50® Total Return index on a given day, the MF's net asset value will doubly increase that same day and, in case of an increase of the EURO STOXX 50® Total Return index on a given day, the MF's net asset value will doubly drop that same day and the bearers will not benefit from any increase of this index.

The Euro Stoxx 50® index consists of the 50 largest securities coming from member countries of the Euro zone. These securities have been selected for their market capitalisation, liquidity and sector-based representativeness. The index strives to maintain a weighting per country and per economic sector that, insofar as possible, reflects the economic structure of the Euro zone.

The daily performance of the EURO STOXX 50® Daily Double Short strategy index is equal: to twice the inverse daily performance of the EURO STOXX 50® Total Return index, plus interest (EONIA) collected each day on three times the valuation of the closing price of the EURO STOXX 50® Daily Double Short index and less the costs resulting from the short sale of the securities comprising the EURO STOXX 50® index.

It is therefore an index that represents a strategy of taking short positions with x2 leverage on the EURO STOXX 50® Total Return index, with daily rebalancing.

The EURO STOXX 50® Daily Double Short strategy index was created on 27 November 2008 and constructed such that it had a value of 10,000 on 31 December 1991.

An exhaustive description and the complete methodology for the construction of the EURO STOXX 50® Daily Double Short strategy index are available on the Internet site: [www.stoxx.com](http://www.stoxx.com).

The monitored performance is that of the index closing prices, in Euros.

**Investment strategy:** The MF will comply with the investment rules dictated by the European directive no. 85/611/EEC dated 20 December 1985 as amended by directives no. 2001/07/EC and 2001/108/EC.

In pursuit of the greatest possible correlation with the performance of the EURO STOXX 50® Daily Double Short strategy index, the MF will undertake (i) the purchase of a basket of balance sheet assets (as defined in the detailed memorandum) and notably international equities, and/or (ii) a forward swap contract traded over-the-counter that will allow the MF to reach its management objective, if relevant, by transforming the exposure to its assets into an exposure to the EURO STOXX 50® Daily Double Short strategy index.

As relevant, the shares held as assets by the MF will notably be shares that make up the EURO STOXX 50® Daily Double Short strategy index, as well as other international shares, from all economic sectors, listed on all markets, including the small capitalisation markets.

In this case, the equities included in the MF's assets will be chosen so as to limit the costs related to the replication of the index.

The MF's risk diversification rules can be assessed only by taking into consideration the underlying assets of the derivative instruments. The MF can therefore be invested in non-diversified balance sheet assets provided that, after taking into consideration the underlyings of the derivative instruments, the net exposure to the underlyings complies with the diversification rules.

The MF can be part of a PEA (stock savings plan). The MF can serve as the support for a life insurance contract denominated in account units.

**Risk profile:** The bearer's money will primarily be invested in financial instruments selected by the management company. These instruments will be subject to the vagaries of the markets.

Through the MF, the bearer is primarily exposed to the following risks:

#### **1. Equity risk**

A share price can vary upward or downward, and it notably reflects the changing risks related to the issuing company or the economic situation of the corresponding market. The equity markets are more volatile than the rate markets, in which it is possible, over a given period and with equal macroeconomic conditions, to estimate the earnings.

#### **2. Capital loss risk**

The invested capital is not guaranteed. The investor consequently runs the risk of loss of the capital. The entire or part of the invested amount may not be recovered, notably should the performance of the benchmark index be negative over the investment period.

#### **3. Liquidity risk (primary market)**

Should the MF (or one of its counterparties for future financial instrument (FFI)) adjust its exposure and the markets related to this exposure are then limited, closed or subject to significant purchase / sale price discrepancies, the value and/or liquidity of the MF could be negatively affected. Should low volumes of exchanges result in an inability to carry out transactions linked to the replication of the index, this can also have consequences on the processes related to the subscription, conversion or redemption of units.

#### **4. Liquidity risk on a place of listing**

The MF's share price can deviate from its indicative net asset value. The liquidity of the MF's units or shares on a place of listing can be affected by any suspension, that could notably be due to:

- i) suspension or stoppage of the calculation of the index, and/or
- ii) suspension of the market(s) of the underlyings used by the benchmark index, and/or
- iii) the impossibility for a given place of listing to obtain or calculate the MF's indicative net asset value, and/or
- iv) a market maker's violation of the rules applicable to this marketplace, and/or
- v) a failure of this marketplace's IT or electronic systems.

#### **5. Counterparty risk**

The MF is exposed to the risk of bankruptcy, payment default or any other type of default of every counterparty with which it has entered into a contract or transaction. It is particularly exposed to the counterparty risk resulting from its use of Future financial instruments ("FFI") traded over-the-counter with Société Générale or with any other counterparty. In compliance with the UCITS regulations, the counterparty risk (whether this counterparty is the Société Générale or any other entity) cannot exceed 10% of the total value of the MF's assets.

#### **6. Risk of daily readjustment of the leverage**

Investors are inversely and doubly exposed to the fluctuations affecting the price or level of the EURO STOXX 50® index on a daily basis. In particular, an appreciation of the underlying market will be inversely amplified and will result in an even larger depreciation of the net asset value of the MF.

The daily readjustment of the exposure shown in the formula of the underlying “double short” strategy index implies that, over a period of more than one business day, the MF’s performance will not be equal to twice the inverse performance of the EURO STOXX 50® index. Indeed, investors are underexposed to the volatility.

For example, if the EURO STOXX 50® appreciates by 10% on one business day then depreciates by 5% on the next business day, the ETF will depreciate in all, after these two days (and before deduction of the applicable fees), by 12%, while the EURO STOXX 50® index will have appreciated by 4.5% over the same period.

If the EURO STOXX 50® index depreciates by 5% per day for 2 consecutive business days, it will have depreciated by a total of 9.75%, while the ETF will have appreciated (before deduction of the applicable fees) by 21% over the same period.

#### **7. Risk that the management objective may only be partially reached**

Nothing guarantees that the management objective will be reached. Indeed, no asset or financial instrument will allow an automatic and continuous replication of the benchmark indicator, notably should one or more of the following risks arise:

- Risk related to the use of derivative instruments

In order to reach its investment objective, the MF uses future financial instruments (“FFI”) negotiated over-the-counter, that can notably take the form of swap contracts, that will allow it to obtain the performance of the benchmark index. These FFIs can result in a series of risks on the level of the FFIs, that notably include: counterparty risk, event affecting the hedging, event affecting the index, risk related to the tax regime, risk related to the regulations, operational risk and liquidity risk. These risks can directly affect a FFI and can result in the adjustment and/or early termination of the FFI transaction, which could affect the MF’s net asset value.

- Risk related to a change of the tax regime

Any change to the tax legislation in any of the countries in which the MF is established, authorised for marketing or listed can affect the tax treatment of the investors. In this case, the MF’s manager assumes no liability relative to investors with regard to the payments having to be made to any competent fiscal authority.

- Risk related to a change of the tax regime affecting the underlyings

Any change of the tax legislation applicable to the MF’s underlyings can affect the MF’s tax treatment. Consequently, in case of divergence between the anticipated tax treatment and the one actually applied to the MF (and/or to its counterparty in the FFI), the MF’s net asset value may be affected.

- Risk related to regulations

In case of change of the regulations in any country in which the MF is established, authorised for marketing or listed, the processes for the subscription, conversion and redemption of the units may be affected.

- Risk related to the regulations applicable to the underlyings

In case of change of the regulations applicable to the MF’s underlyings, the MF’s net asset value can be affected, as can the processes for the subscription, conversion and redemption of units.

- Risk related to events affecting the index

In case of events affecting the benchmark index, the manager may, under the conditions and limits of the applicable legislation, have to suspend the subscription and redemption of MF units. The calculation of the MF’s net asset value can also be affected.

If the event persists, the MF’s manager will decide on measures having to be adopted, which can have an impact on the MF’s net asset value.

“Events affecting the index” are understood to mean the following situations:

- i) the index is considered to be incorrect or not reflective of the market’s actual evolution,
- ii) the index is definitively discontinued by its supplier,
- iii) the supplier of the index is incapable of providing the level or value of the said index,
- iv) the supplier of the index makes a significant change to its formula or calculation method (other than a minor modification such as the adjustment of the underlyings used with this index or of the respective weightings between its various components), that cannot be effectively replicated by the MF at a reasonable cost.

- Operational risk

In case of an operational failure within the management company or of one of its representatives, investors may incur delays in the processing of subscriptions, conversions and redemptions of the units, or other disturbances.

- Securities transaction risk

Should the issuer of a security underlying the index undertake an unanticipated review of a securities transaction (“ST”), that contradicts a prior and official announcement that had resulted in a valuation of the ST by the MF (and/or in a valuation of the ST by the MF’s counterparty in a future financial instrument), the MF’s net asset value may be affected, notably should the actual treatment of the ST by the MF differ from the ST’s treatment in the methodology used by the benchmark index.

**Eligible subscribers and typical investor profile:**

The MF is open to any subscriber.

An investor subscribing for this MF wishes to obtain an inverse exposure to the increase or decline of the European equity markets with 2-times daily leverage.

The amount that it is reasonable to invest in this MF depends on each investor's personal situation. To determine this amount, the investor must take into account his/her personal wealth and/or estate, cash requirements at the present and for five years, but also his/her desire to take risks or, on the contrary, to prefer a cautious investment. It is also highly recommended to sufficiently diversify one's investments so as to avoid an exposure only to this MF's risks.

Each investor is therefore requested to study his/her particular situation with his/her usual estate management adviser.

**Tax regime:** According to the bearer's tax regime, possible capital gains and earnings linked to the holding of the MF's units may be subject to taxation. We recommend that all bearers seek information in this regard from the MF marketer.

The MF can be part of a PEA (stock savings plan). The MF can serve as the support for a life insurance contract denominated in account units.

*For more details, the complete prospectus can be obtained by requesting it from the management company.*

- *The net asset value is available from the head office of Lyxor International Asset Management.*
- *The documents are sent within one week of the bearer's written request, submitted to the Management Company, or they can be consulted at the following address: <http://www.lyxoretf.com>.*
- *Approval date by the AMF (Financial Markets Authority): 16 January 2007.*
- *MF creation date: 3 April 2007.*

# Activity report

Data as of 30 June 2011



LYXOR ETF EURO STOXX 50 DAILY DOUBLE SHORT (ex LYXOR ETF XBear EURO STOXX 50)  
MANAGEMENT REPORT from 30 June 2010 to 30 June 2011

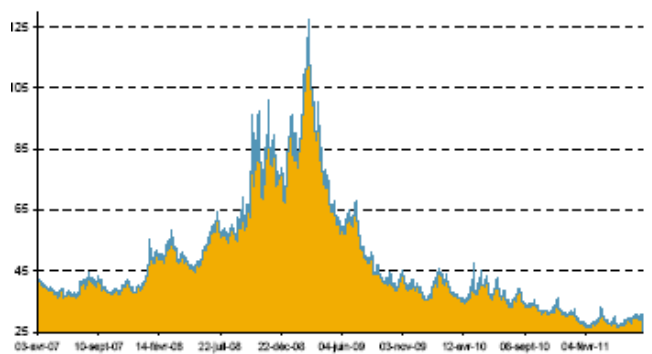
AMF classification: Diversified

Value code: FR0010424143

Minimum investment duration	5 years
Original net asset value	: 42.46
Net asset value on 30 June 2010:	40.6075
Net asset value on 30 June 2011:	27.7905
Performance since the start of the year	: -10.46%
Performance since the launch	: -34.55%
Performance since 30 June 2010:	-31.56%

**Management objective**  
The MF's management objective is to obtain an inverse exposure and with x2 daily leverage, upward or downward, to the European equities market while reproducing the evolution to the EURO STOXX 50® Daily Double Short strategy index (cf. "Benchmark indicator" section), and while insofar as possible minimising the tracking error between the MF's performances and those of the EURO STOXX 50® Daily Double Short strategy index. The tracking error objective, calculated over a period of 52 weeks, is less than 1%. Should the tracking error nevertheless be higher than 1%, the objective is still to remain below 5% of the volatility of the EURO STOXX 50® Daily Double Short strategy index.

Fluctuation of the net asset value since the start



**Particular events**  
New name and transformation into a strategy index fund as of 28 January 2011.

Explanation of the Net Asset Value

The net asset value of the LYXOR ETF EURO STOXX 50 DAILY DOUBLE SHORT MF is down by 31.56% over the fiscal year and stands at EUR 27.7905 on 30 June 2011, meaning a fund performance of -34.55% since its launch date.

The fund replicates the performance of the EURO STOXX 50® Daily Double Short strategy index, expressed in Euros, which posted a performance of -30.93% over the fiscal year.

The EURO STOXX 50® Daily Double Short strategy index offers a daily inverse exposure, upward or downward, to the evolution of the EURO STOXX 50® Total Return index with a x2 leverage effect. As such, in case of a decline of the EURO STOXX 50® Total Return index on a given day, the MF's net asset value will doubly increase that same day and, in case of an increase of the EURO STOXX 50® Total Return index on a given day, the MF's net asset value will doubly drop that same day and the bearers will not benefit from any increase of this index.

Following a summary index-based management method, the replication of the index is ensured via an equity-linked swap. This forward swap contract negotiated over-the-counter and involving shares and indices serves to transform the exposure to the basket of European shares that comprise the MF's assets into an exposure to the EURO STOXX 50® Daily Double Short strategy index.

On 30 June 2011, the tracking error reached the level of 0.2019548%.

Performance	Closing price on	Initial price on
lower	30 June 2011	3 April 2007
EURO STOXX 50 Daily Double Short	-23.58%	202.85
265.44		

## Regulatory information

**Transfer commission** (not audited by the auditor)

None.

## Provisions for providing the investors with the various documents and reports relative to the management company's voting policy and its implementation.

The "voting policy" document, the report from the management company on the conditions whereby it exercised the voting rights of the UCITS that it manages and the information relative to the vote on each resolution can, pursuant to article 322-75, 322-76 and 322-77 of the AMF [Financial Markets Authority] General Regulations, be consulted either on the management company's website or at its head office (upon request).

## Procedure for the choice of intermediaries

The manager selects intermediaries that are necessarily included in the list of intermediaries agreed upon by the management company.

This list is established on the basis of objective criteria that notably take into account the quality of the services rendered and the applied price conditions.

In compliance with article 314-82 of the AMF General Regulations, the report relative to the intermediation expenses is available on our Internet site at the address: [www.lyxor.fr](http://www.lyxor.fr)

# Auditor's report



**KPMG Audit**  
1, cours Valmy  
92923 Paris La Défense Cedex  
France

Téléphone : +33 (0)1 55 66 66 66  
Télécopie : +33 (0)1 55 66 73 00  
Site internet : [www.kpmg.fr](http://www.kpmg.fr)

## **Mutual fund**

### **LYXOR ETF EURO STOXX 50 DAILY DOUBLE SHORT (ex LYXOR ETF XBEAR EURO STOXX 50)**

17, cours Valmy - 92987 Paris La Défense

## **Auditor's report on the annual accounts**

### **Fiscal year closing on 30 June 2011**

Ladies, Gentlemen,

As part of the mission entrusted to us by the management company's executive committees, we hereby present our report relative to the fiscal year closing on 30 June 2011 concerning:

- the verification of the annual accounts of the mutual fund LYXOR ETF EURO STOXX 50 DAILY DOUBLE SHORT (ex LYXOR ETF XBEAR EURO STOXX 50), as they are attached to the present report,
- the bases of our assessments,
- the specific verifications and information required by law.

The annual accounts have been closed by the management company. It is our duty to express an opinion on these accounts based on our audit.

## **1. Opinion on the annual accounts**

We have conducted our audit in accordance with the generally accepted auditing standards in France. These standards require that we apply the procedures necessary to obtain reasonable assurance that the annual financial statements do not include any significant misstatements. An audit involves verifying, by sampling and other selection methods, the elements underlying the amounts and information contained in the annual financial statements. It also involves assessing the implemented accounting principles, the significant estimates that have been used, and assessing the overall presentation of the financial statements. We feel that the collected evidence is sufficient and appropriate for the basis of our opinion.

We certify that, in accordance with French accounting rules and principles, the annual financial statements are truthful and in order, and present a fair picture of the operating profits and losses for the past fiscal year, as well as the financial situation and assets of the UCITS at the end of said fiscal year.





*Mutual fund*  
**LYXOR ETF EURO STOXX 50 DAILY DOUBLE SHORT**  
*(ex LYXOR ETF XBEAR EURO STOXX 50)*  
*Auditor's report on the annual accounts*  
*30 September 2011*

## **2. Justification of the assessments**

In application of the provisions of article L.823-9 of the [French] Commercial Code relative to the justification of our assessments, we draw your attention to the following elements:

As part of our assessment of the accounting principles used by the UCITS and described in the "Accounting rules and methods" note in the appendix, we have notably verified the correct application of the assessment methods chosen for the financial instruments in the portfolio.

The assessments made in this way are in line with our approach for the audit of the annual accounts, taken as a whole, and they therefore contributed to the formulation of our opinion as expressed in the first part of this report.

## **3. Specific information and audit procedures**

We have also conducted the auditing procedures required by law, in accordance with the applicable professional standards in France.

We have no observations to report regarding the truthfulness or consistency with the annual accounts of the information included in the annual report and in the documents sent to the shareholders concerning the company's situation and annual accounts.

Paris La Défense, 30 September 2011

KPMG Audit  
*KPMG S.A. Department*

(signature)

Pascal Lagand  
*Partner*

# ANNUAL ACCOUNTS

**BALANCE SHEET assets**

	30.06.2011	30.06.2010
Currency	EUR	EUR
<b>Net fixed assets</b>	-	-
<b>Deposits</b>	-	-
<b>Financial instruments</b>	<b>105 521 256,68</b>	<b>125 916 426,30</b>
• <b>SHARES AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	98 599 590,68	105 557 108,50
Not negotiated on a regulated or similar market	-	-
• <b>BONDS AND SIMILAR SECURITIES</b>		
Negotiated on a regulated or similar market	-	-
Not negotiated on a regulated or similar market	-	-
• <b>DEBT INSTRUMENTS</b>		
Negotiated on a regulated or similar market		
<i>Negotiable debt instruments</i>	-	-
<i>Other debt instruments</i>	-	-
Not negotiated on a regulated or similar market	-	-
• <b>MUTUAL FUND SHARES</b>		
European co-ordinated UCITS and French UCITS of a general nature	6 921 666,00	-
UCITS reserved for certain investors – FCPR (type of collective investment MF) – FCIMT (type of MF intervening on futures markets)	-	-
Listed SPVs and investment funds	-	-
Non-listed SPVs and investment funds	-	-
• <b>TEMPORARY OPERATIONS INVOLVING SECURITIES</b>		
Receivables representing securities under reverse repurchase agreements	-	-
Receivables representing loaned securities	-	-
Securities borrowed	-	-
Securities under repurchase agreements	-	-
Other temporary operations	-	-
• <b>FUTURE FINANCIAL INSTRUMENTS</b>		
Operations on a regulated or similar market	-	-
Other operations	-	20 359 317,80
• <b>OTHER FINANCIAL INSTRUMENTS</b>	-	-
<b>Liabilities</b>	-	-
Future foreign currency operations	-	-
Other	-	-
<b>Financial accounts</b>	-	-
Liquidity	-	-
<b>Total assets</b>	<b>105 521 256,68</b>	<b>125 916 426,30</b>

**BALANCE SHEET liabilities**

	30.06.2011	30.06.2010
Currency	EUR	EUR
<b>Shareholders' equity</b>		
• Capital	96 355 210,93	126 635 406,65
• Carried forward	-	-
• Adjustment of carried forward	-	-
• Result	-647 577,15	-781 864,79
<b>Total shareholders' equity</b> <i>(amount representing the net assets)</i>	<b>95 707 633,78</b>	<b>125 853 541,86</b>
<b>Financial instruments</b>	<b>9 757 581,32</b>	-
• <b>OPERATIONS INVOLVING THE SALE OF FINANCIAL INSTRUMENTS</b>	-	-
• <b>TEMPORARY OPERATIONS INVOLVING SECURITIES</b>		
Debts representing securities under repurchase agreements	-	-
Debts representing borrowed securities	-	-
Other temporary operations	-	-
• <b>FUTURE FINANCIAL OPERATIONS</b>		
Operations on a regulated or similar exchange market	-	-
Other operations	9 757 581,32	-
<b>Debts</b>	<b>56 041,58</b>	<b>62 884,44</b>
Future foreign exchange operations	-	-
Other	56 041,58	62 884,44
<b>Financial accounts</b>	-	-
Current bank accommodations	-	-
Loans	-	-
<b>Total liabilities</b>	<b>105 521 256,68</b>	<b>125 916 426,30</b>

## Off-balance sheet commitments

	30.06.2011	30.06.2010
Currency	EUR	EUR
<b>Hedging operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
<b>Other operations</b>		
• Commitments on regulated or similar markets		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-
• Over-the-counter commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Performance swaps	146 227 484,48	131 594 706,98
- Contracts for Differences (CFD)	-	-
• Other commitments		
- Futures market	-	-
- Options market	-	-
- Credit derivatives	-	-
- Swaps	-	-
- Contracts for Differences (CFD)	-	-

## Profit and loss account

	30.06.2011	30.06.2010
Currency	EUR	EUR
<b>Earnings on financial operations</b>		
• Earnings on deposits and financial accounts	-	-
• Earnings on shares and similar securities	-	-
• Earnings on bonds and similar securities	-	-
• Earnings on debt instruments	-	-
• Earnings on temporary acquisitions and sales of securities	-	-
• Earnings on future financial instruments	-	-
• Other financial earnings	-	-
<b>Total (I)</b>	-	-
<b>Charges on financial operations</b>		
• Charges on temporary acquisitions and sales of securities	-	-
• Charges on future financial instruments	-	-
• Charges on financial debts	-	-356,66
• Other financial charges	-	-
<b>Total (II)</b>	-	-356,66
<b>Earnings on financial operations (I - II)</b>	-	-356,66
Other earnings (III)	-	-
Management fees and depreciation expenses (IV)	-733 727,12	-760 334,92
<b>Net earnings of the fiscal year (L.214-9) (I - II + III - IV)</b>	<b>-733 727,12</b>	<b>-760 691,58</b>
Adjustment of the fiscal year's earnings (V)	86 149,97	-21 173,21
Advances paid for the fiscal year (VI)	-	-
<b>Earnings (I - II + III - IV +/- V - VI):</b>	<b>-647 577,15</b>	<b>-781 864,79</b>

# 1 Accounting rules and methods

The annual accounts are presented in the format pursuant to the provisions of CRC Regulation no. 2003-02 of 2 October 2003 relative to the chart of accounts of UCITS, modified by CRC regulation no. 2005-07 of 3 November 2005, and approved by the ministerial decree of 26 December 2005.

## **Assessment rules**

The MF's assets are assessed in compliance with the applicable laws and regulations, and more particularly with the rules defined in regulation no. 2003-02 of the Comité de la Réglementation Comptable dated 2 October 2003 relative to the chart of accounts of UCITS (1st part).

The financial instruments negotiated on a regulated market are assessed at the closing price on the day before the calculation date of the net asset value. When these financial instruments are negotiated on several regulated markets at the same time, the chosen closing price is the one of the regulated market in which they are primarily negotiated.

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

- negotiable debt securities ("NDS") having a residual life upon acquisition that is less than or equal to 3 months are assessed with a linear distribution, over the residual lifespan, of the difference between the acquisition value and the redemption value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan at acquisition is greater than 3 months but of which the residual lifespan on the net asset value closing date is equal to or less than 3 months, are assessed by means of a linear distribution, over the residual lifespan, of the difference between the last adopted current value and the reimbursement value. The management company nevertheless reserves the possibility of assessing these securities at the current value in case of particular sensitivity to market risks (rates, etc.). The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer;
- NDS, of which the residual lifespan on the net asset value closing date is greater than 3 months, are assessed at their current value. The chosen rate is that of the equivalent security issues allocated to the risk margin related to the issuer.

Firm future financial instruments negotiated on organised markets are assessed at the clearing price on the day before the net asset value calculation date. Conditional future financial instruments negotiated on organised markets are assessed at the market value on the day before the net asset value calculation date. Over-the-counter firm or conditional future financial instruments are assessed at the price given by the financial instrument's counterparty. They are presented in the off-balance sheet on the basis of the nominal value defined in the contract.

In the event of the holding of an EMTN, it will be assessed on the basis of a market price given by the financial instrument's counterparty.

The management company independently carries out a verification of this assessment.

Deposits are assessed at their nominal value, plus any related interest that has accrued.

Subscription warrants, cash certificates, promissory notes and mortgage notes are assessed at their probable market value, under the management company's responsibility.

Temporary acquisitions and sales of securities are assessed at the market price.

Units and shares in undertakings for collective investment in transferable securities operating under French law are assessed at the last net asset value known on the calculation date of the MF's net asset value.

Units and shares of investment funds operating under foreign law are assessed at the last unit net asset value known on the calculation date of the MF's net asset value.

appendix

Financial instruments negotiated on a regulated market for which the price has not been determined or for which the price has been corrected are assessed at their probable market value, under the management company's responsibility.

The exchange rate used for the assessment of financial instruments drafted in a currency other than the MF's reference currency are the exchange rates disseminated by the WM Reuters fixing the day before the closing date of the MF's net asset value.

#### Posting method for the trading fees

The chosen method is that of included fees.

#### Posting method of revenues from fixed revenue securities

The chosen method is that of the collected coupon.

#### Valuation methods for off-balance sheet commitments

Off-balance sheet operations are valued at the commitment value.

The commitment value for firm futures contracts is equal to the price (in the currency of the UCITS) multiplied by the number of contracts multiplied by the face value.

The commitment value for conditional operations is equal to the price of the underlying security (in the currency of the UCITS) multiplied by the number of contracts multiplied by the delta multiplied by the underlying face value.

The commitment value for the swap contracts is equal to the initial value multiplied by the number of units at the closing (in the currency of the UCITS).

#### Operation and management fees

These fees include all of the fees invoiced directly to the MF, except for the transaction fees. The transaction fees include intermediation fees (brokerage, stock market tax, etc.) and the transaction commission which, if relevant, may notably be collected by the custodian and management company. The following can be added to the operation and management fees:

- outperformance commissions. These reward the management company when the MF has exceeded its objectives. They are therefore invoiced to the MF;
- transaction commissions invoiced to the MF;
- a portion of the earnings from temporary acquisitions and sales of securities.

For more details on the fees actually invoiced to the MF, refer to the Statistical Part of the simplified prospectus.

Fees invoiced to the MF	Basis	Schedule, rate
Operation and management fees, tax incl. <sup>(1)</sup>	Net assets	maximum 0.60% per year
Outperformance commissions	Net assets	None
Service providers collecting transaction commissions	Collection on each transaction	None

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

No transaction commission will be charged to the MF.

#### Accounting currency

The UCITS' accounting is carried out in EUR.



**Indication of accountancy changes declared to each of the bearers individually**

- Occurred change: None.
- Future change: None.

**Indication of other changes declared to each of the bearers individually** *(Not certified by the auditor)*

- Occurred change: Update of the prospectus on 15 April 2011.
- Future change: None.

**Indication and justification of the changes to estimates and application provisions**

None.

**Indication of the nature of the errors corrected during the fiscal year**

None.

**Indication of the rights and conditions attached to each category of units**

Capitalisation of results.

# appendix

## 2. Evolution of the net assets

Currency	30.06.2011 EUR	30.06.2010 EUR
<b>Net assets at the start of the fiscal year</b>	<b>125 853 541,86</b>	<b>125 289 148,31</b>
Subscriptions (including subscription commission acquired by the UCITS)	103 112 981,50	174 364 285,45
Redemptions (less the redemption commission acquired by the UCITS)	-87 865 272,56	-112 678 022,22
Capital gains generated on deposits and financial instruments	23 596 623,50	48 232 595,52
Capital losses generated on deposits and financial instruments	-20 560 419,64	-30 061 633,97
Capital gains generated on future financial instruments	422 987 526,54	668 929 157,52
Capital losses generated on future financial instruments	-460 386 438,74	-744 249 618,60
Trading fees	-	-
Exchange differentials	331 490,49	908 572,63
Changes to the estimate difference of the deposits and financial instruments:	6 090 638,18	-2 446 453,84
- Estimate difference fiscal year N	1 479 305,79	-4 611 332,39
- Estimate difference fiscal year N-1	-4 611 332,39	-2 164 878,55
Changes to the estimate difference of future financial instruments:	-16 719 310,23	-1 673 797,36
- Estimate difference fiscal year N	-9 757 581,32	6 961 728,91
- Estimate difference fiscal year N-1	6 961 728,91	8 635 526,27
Distribution from the previous fiscal year	-	-
Net earnings of the fiscal year before adjustment account	-733 727,12	-760 691,58
Advance(s) paid during the fiscal year	-	-
Other elements	-	-
<b>Net assets at the end of the fiscal year</b>	<b>95 707 633,78</b>	<b>125 853 541,86</b>

### 3. Information supplements

#### 3.1 Financial instruments: breakdown by the instrument's legal or economic type

##### 3.1.1 Breakdown of the "Bonds and similar securities" item by instrument type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Indexed bonds	-	-
Convertible bonds	-	-
Fixed-rate bonds	-	-
Variable-rate bonds	-	-
Zero coupon bonds	-	-
Equity interests	-	-
Other instruments	-	-

##### 3.1.2 Breakdown of the "Receivables" item by legal or economic type

	Negotiated on a regulated or similar market	Not negotiated on a regulated or similar market
Treasury Bonds	-	-
Commercial paper	-	-
Deposit certificates	-	-
Negotiable medium-term notes ("BMTN")	-	-
Other instruments	-	-

##### 3.1.3 Breakdown of the "Sale operations on financial instruments" item by instrument type

	Securities under reverse repurchase agreements sold	Securities borrowed sold	Securities acquired with redemption right sold	Short sales
Equities	-	-	-	-
Bonds	-	-	-	-
Debt securities	-	-	-	-
Other instruments	-	-	-	-

## 3.1.4 Breakdown of the off-balance sheet headings by market type (notably rates, equities)

	Rate	Equities	Exchange	Other
<b>Hedging operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	-	-	-
Other commitments	-	-	-	-
<b>Other operations</b>				
Commitments on regulated or similar markets	-	-	-	-
Over-the-counter commitments	-	146 227 484,48	-	-
Other commitments	-	-	-	-

## 3.2 Breakdown by rate types of the asset, liability and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>Assets</b>				
Deposits	-	-	-	-
Bonds and similar securities	-	-	-	-
Debt instruments	-	-	-	-
Temporary operations on securities	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Temporary operations on securities	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

## 3.3 Breakdown by residual maturity of the asset, liability and off-balance sheet items

	0-3 months	3 months - 1 year	1-3 years	3-5 years	>5 years
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt instruments	-	-	-	-	-
Temporary operations on securities	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Liabilities</b>					
Temporary operations on securities	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet</b>					
Hedging operations	-	-	-	-	-
Other operations	-	-	-	-	-

**3.4 Breakdown by listing or assessment currency of the asset, liability and off-balance sheet items**

*This breakdown is given for the main listing or assessment currencies, with the exception of the currency in which the accounting is maintained.*

By main currency	JPY	CHF	-	Other currencies
<b>Assets</b>				
Deposits	-	-	-	-
Equities and similar securities	5 160 915,36	3 832 241,08	-	-
Bonds and similar securities	-	-	-	-
Debt instruments	-	-	-	-
MF shares	-	-	-	-
Temporary operations on securities	-	-	-	-
Forward financial instruments on the asset side	-	-	-	-
Receivables	-	-	-	-
Financial accounts	-	-	-	-
<b>Liabilities</b>				
Sale operations on financial instruments	-	-	-	-
Temporary operations on securities	-	-	-	-
Forward financial instruments on the liability side	-	-	-	-
Debts	-	-	-	-
Financial accounts	-	-	-	-
<b>Off-balance sheet</b>				
Hedging operations	-	-	-	-
Other operations	-	-	-	-

**3.5 Receivables and Debts: breakdown by type**

*Details of the elements comprising the "other receivables" and "other debts" items, notably breakdown of the future currency exchange operations by type of operation (purchase/sale).*

<b>Receivables</b>			
Future currency exchange operations			-
Future purchases of currency			-
Total negotiated amount of future currency sales			-
Other receivables:			
-			-
-			-
-			-
-			-
-			-
Other operations			-
<b>Debts</b>			<b>56 041,58</b>
Future currency exchange operations			-
Future sales of currency			-
Total negotiated amount of future currency purchases			-
Other debts:			
Provisioned costs			56 041,58
-			-
-			-
-			-
-			-
Other operations			-

### 3.6 Shareholders' equity

	Subscriptions		Redemptions	
	Number of units	Amount	Number of units	Amount
Number of units issued/redeemed during the fiscal year	3 080 000	103 112 981,50	2 735 375	87 865 272,56
Subscription / redemption commission		-		-
Retrocessions		-		-
Commissions acquired by the UCITS		-		-

### 3.7 Management fees

Operating and management fees (fixed fees) as % of the average net assets:	<b>0,60</b>
Performance commissions (variable fees): amount of costs for the year	-
Retrocession of management fees:	
- Total amount of fees retroceded to the UCITS	-
- Breakdown by "target" UCITS	
- UCITS 1	-
- UCITS 2	-

### 3.8 Commitments given and received

- 3.8.1 Description of guarantees received by the UCITS with indication of the capital guarantees..... **None**
- 3.8.2 Description of the other commitments received and/or given..... **None**

### 3.9 Other information

3.9.1 Current value of the financial instruments that are the subject of temporary acquisition:	
- Financial instruments under reverse repurchase agreements	-
- Other temporary operations	-
3.9.2 Current value of the financial instruments comprising security deposits:	
Financial instruments received as guarantees and not included in the balance sheet:	
- equities	-
- bonds	-
- debt instruments	-
- other financial instruments	-
Financial instruments given as guarantees and maintained in their original item:	
- equities	-
- bonds	-
- debt instruments	-
- other financial instruments	-
3.9.3 Financial instruments held in the portfolio, issued by entities linked to the management company (fund) or to the financial managers (MF) and UCITS managed by these entities	
- UCITS	<b>6 921 666,00</b>
- Swaps	<b>-9 757 581,32</b>

**3.10 Allocation of the earnings table** (in the UCITS' currency of account)

**Advances paid during the fiscal year**

Date	Overall amount	Unit amount	Total tax credits	Unit tax credits
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total advances</b>	-	-	-	-

	30.06.2011	30.06.2010
Allocation of the profit/loss	EUR	EUR
<b>Sums still to be allocated</b>		
Carried forward	-	-
Adjustment of carried forward	-	-
Earnings	-647 577,15	-781 864,79
<b>Total</b>	<b>-647 577,15</b>	<b>-781 864,79</b>
<b>Allocation</b>		
Distribution	-	-
Carried forward for the fiscal year	-	-
Capitalisation	-647 577,15	-781 864,79
<b>Total</b>	<b>-647 577,15</b>	<b>-781 864,79</b>
<b>Information relative to the units giving rise to a distribution right</b>		
Number of circulating units	-	-
Distribution per unit	-	-
<b>Tax credits</b>	-	-

**3.11 Table of the earnings and other characteristic elements of the MF during the last 5 fiscal years**

UCITS currency EUR	<b>30.06.2011</b>	30.06.2010	30.06.2009	30.06.2008	-
<b>Net assets</b>	<b>95 707 633,78</b>	125 853 541,86	125 289 148,31	125 161 943,81	-
<b>Number of circulating units</b>	<b>3 443 888</b>	3 099 263,00	2 019 264,00	2 180 001,00	-
<b>Net asset value</b>	<b>27,79</b>	40,60	62,05	57,41	-
<b>Unit distribution (including advances)</b>	-	-	-	-	-
<b>Unit tax credit transferred to unit holders (natural persons)<sup>(1)</sup></b>	-	-	-	-	-
<b>Unit capitalization</b>	<b>-0,18</b>	-0,25	0,7336	2,07	-

*(1) Fiscal year closed; pursuant to the Fiscal Instruction of 4 March 1993 from the General Tax Department, the unit tax credit will be determined on the day of the dividend's detachment by distribution of the total amount of the fiscal tax credits between the securities in circulation on that date.*

*UCITS creation date: 3 April 2007.*



## 4. UCITS inventory

# appendix

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<b>LYXOR ETF EURO STOXX 50 DAILY DOUBLE SHORT</b>						
<b>Investment Securities</b>						
<i>Equity</i>						
LU02695683422	GAGFAH	OWN SPECIFIC	140 549.00	705 134.33	EUR	0.74
BE0003793107	AHNEUSER-BUSH INBEV	OWN SPECIFIC	72 146.00	2 885 840.00	EUR	3.02
CH0012138530	CREDIT SUISSE GROUP AG-NOM	OWN SPECIFIC	36 359.00	973 901.79	CHF	1.02
BE0003810273	BELGACOM	OWN SPECIFIC	37 266.00	916 557.27	EUR	0.96
CH0012221716	ABB LTD-NOM	OWN SPECIFIC	160 067.00	2 858 339.29	CHF	2.99
DE0007037129	RWE AG	OWN SPECIFIC	103 239.00	3 947 343.17	EUR	4.12
DE0007236101	SIEMENS AG-NOM	OWN SPECIFIC	31 851.00	3 016 289.70	EUR	3.15
DE0008430026	MUENCHENER RUECKVERSICHERUNGS AG-NOM	OWN SPECIFIC	44 807.00	4 724 898.15	EUR	4.94
DE000BA0017	BAYER AG	OWN SPECIFIC	140 943.00	7 813 879.92	EUR	8.17
GB00B03MLX29	ROYAL DUTCH SHELL PLC-A	OWN SPECIFIC	75 694.00	1 852 989.12	EUR	1.94
FR0000131104	BNP PARIBAS	OWN SPECIFIC	5 629.00	299 631.67	EUR	0.31
FR000127771	VIVENDI	OWN SPECIFIC	33 996.00	651 873.30	EUR	0.68
FR000121972	SCHNEIDER ELECTRIC SA	OWN SPECIFIC	45 066.00	5 191 603.20	EUR	5.42
FR000121501	PEUGEOT SA	OWN SPECIFIC	184 938.00	5 709 036.06	EUR	5.97
FR000120578	SANOFI	OWN SPECIFIC	45 896.00	2 544 474.24	EUR	2.66
FR000120271	TOTAL	OWN SPECIFIC	110 517.00	4 407 417.96	EUR	4.61
ES011390037	BANCO SANTANDER SA	OWN SPECIFIC	559 995.00	4 459 240.19	EUR	4.66
DE00ENAG999	E.ON AG	OWN SPECIFIC	230 906.00	4 522 294.01	EUR	4.73
NL0006033250	KONINKLIJKE AHOLD NV	OWN SPECIFIC	92 541.00	857 484.91	EUR	0.90
NL0000009538	ROYAL PHILIPS ELECTRONICS NV	OWN SPECIFIC	45 516.00	806 088.36	EUR	0.84
NL0000009355	UNILEVER CVA	OWN SPECIFIC	206 665.00	4 671 662.33	EUR	4.88
NL0000009082	KONINKLIJKE KPN NV	OWN SPECIFIC	93 201.00	934 806.03	EUR	0.98
LU0323134006	ARCELORMITTAL SA	OWN SPECIFIC	83 290.00	1 998 543.55	EUR	2.09
JP3898400001	MITSUBISHI CORPORATION	OWN SPECIFIC	79 481.00	1 357 606.42	JPY	1.42
JP3827200001	FURUKAWA ELECTRIC	OWN SPECIFIC	104 710.00	298 686.22	JPY	0.31
JP3802300008	FAST RETAILING	OWN SPECIFIC	2 270.00	251 446.97	JPY	0.26
JP3721400004	THE JAPAN STEEL WORKS	OWN SPECIFIC	30 720.00	144 037.02	JPY	0.15
JP3720800006	NSK LTD	OWN SPECIFIC	149 701.00	1 021 532.16	JPY	1.07
JP3546800008	TERUMO CORP	OWN SPECIFIC	56 387.00	2 087 606.57	JPY	2.18
IT0001976403	FIAT SPA	OWN SPECIFIC	708 932.00	5 366 615.24	EUR	5.61
DE000BASF11	BASF SE	OWN SPECIFIC	79 623.00	5 380 126.11	EUR	5.62
DE0008404005	ALLIANZ SE-NOM	OWN SPECIFIC	62 391.00	6 010 125.03	EUR	6.28
DE0007100000	DAIMLER	OWN SPECIFIC	120 792.00	6 269 104.80	EUR	6.55
DE0005190003	BAYERISCHE MOTORENWERKE	OWN SPECIFIC	53 239.00	3 863 375.59	EUR	3.83
<b>Total Equity</b>						<b>103.02</b>
						<b>98 599 590.68</b>

Security code	Name of the security	Security status	Quantity	Market value	Listing currency	% Net Assets
<i>UCITS</i>						
FR0010989699	UK EQUITY HOLDINGS	OWN SPECIFIC	6 900.00	6 921 666.00	EUR	7.23
	Total UCITS			6 921 666.00		7.23
	Total Investment Securities			105 521 256.68		110.25
<i>Performance swaps</i>						
SWAP00082052	OTHER 0.00000	OWN SPECIFIC	146 227 484.48	-9 757 581.32	EUR	-10.20
	Total Performance swaps			-9 757 581.32		-10.20
	Cash					
<i>MANAGEMENT FEES</i>						
	PrComGestAdm	OWN SPECIFIC		-56 041.58	EUR	-0.06
	Total MANAGEMENT FEES			-56 041.58		-0.06
	Total Cash			-56 041.58		-0.06
	<b>TOTAL LYXOR ETF EURO STOXX 50 DAILY DOUBLE SHORT</b>			<b>95 707 633.78</b>		<b>100.00</b>