

FOR PROFESSIONAL INVESTORS ONLY

SG Japan Quality Income

Explore the land of the rising dividend

Right now, Japan has the safest dividend cover in the world. It also yields more than the US.¹ Prospects for dividend growth are bright at a time when it is harder to find elsewhere. What’s not to like?

Index rules²

- ▶ Takes TOPIX 1000 Index of non-financial equities as a starting universe
 - Selects stocks with market cap >US\$ 600m, and an average daily turnover > US\$6m
 - Eliminates stocks scoring less than 7 out of 9 on the Piotroski quality score
 - Considers the top 40% of companies in the universe by balance sheet strength, and the top 40% by dividend yield
- ▶ Ranks the remaining companies by dividend yield to create a portfolio of 60 equally weighted stocks³

3 reasons to consider our index¹



Index dividend yield of 2.27%



Higher returns than MSCI and TOPIX indices



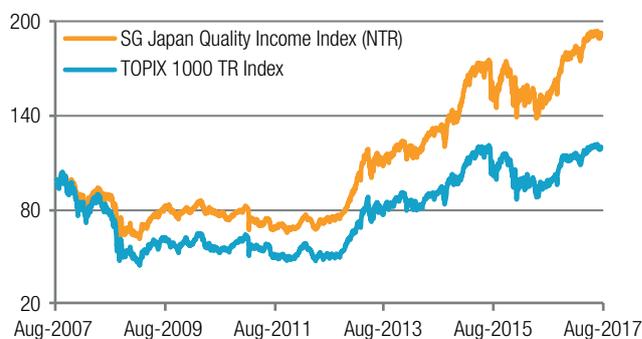
Less volatile with lower drawdowns

¹Source: Lyxor ETF, Societe Generale Cross Asset Research / Equity Quant, MSCI, Datastream, Factset. Dividend yield data as at end September 2017. Returns, volatility and drawdown data over 5 and 10 years, as at August 2017. Past performance is not a reliable indicator of future results.

What you need to know

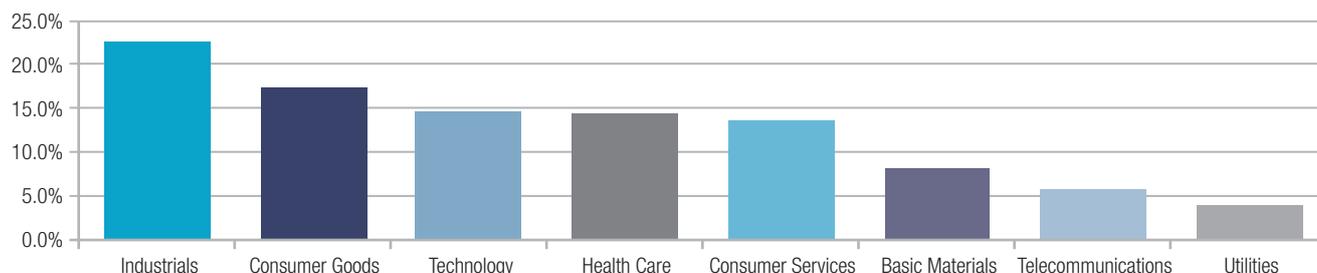
Index and fund details	
Index name	SG Japan Quality Income Index (NTR)
Index currency	JPY
# Holdings	60
Index dividend yield	2.27% ¹
Index rebalance	Quarterly
ETF Bloomberg ticker	SGQJ
Replication type	Synthetic

Index 10Y performance



Performance chart source: Lyxor International Asset Management, Bloomberg. Data as at August 2017. Past performance is not a reliable indicator of future results.

Sector breakdown¹



Charts source: Societe Generale Cross Asset Research / Equity Quant, MSCI, Datastream, Factset. Data as at June 2017.

²Criteria concerning Piotroski score, balance sheet strength and dividend yield can be adjusted on an ad hoc basis, to ensure 60 stocks are in the portfolio.

³With the exception of stocks with average daily turnover < US\$ 12m; these are weighted in proportion to their 6m average daily turnover.

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Five things to know



Yield
Index dividend
yield of 2.27%⁴



Quality
Strong, stable
companies for a
sustainable income



Opportunity
Improving income
conditions in Japan



Accomplished
Track record for quality
income strategies



Low cost
Total Expense Ratio
of just 0.45%⁵

⁴Source: Societe Generale Cross Asset Research / Equity Quant, MSCI, Datastream, Factset. Data as at end of September 2017. Past performance is not a reliable indicator of future results.

⁵Source: Lyxor International Asset Management. TER as at 28/09/2017.

Knowing your risk

It is important for potential investors to evaluate the risks described below and in the fund prospectus on our website www.lyxoretf.com

Capital at risk

ETFs are tracking instruments: Their risk profile is similar to a direct investment in the Underlying index. Investors' capital is fully at risk and investors may not get back the amount originally invested.

Replication risk

The fund objectives might not be reached due to unexpected events on the underlying markets which will impact the index calculation and the efficient fund replication.

Counterparty risk

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 resulting from the use of a securities lending programme.

Underlying risk

The Underlying index of a Lyxor ETF may be complex and volatile. 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.

Important information

This communication is exclusively directed and available to Institutional Investors as defined by the 2004/39/EC Directive on markets in financial instruments acting for their own account and categorised as eligible counterparties or professional clients. This communication is not directed at retail clients. This document is issued in the UK by Lyxor Asset Management UK LLP, which is authorized and regulated by the Financial Conduct Authority in the UK under Registration Number 435658. Some of the funds described in this brochure are sub-funds of either Multi Units Luxembourg or Lyxor Index Fund, being both investment companies with Variable Capital (SICAV) incorporated under Luxembourg Law, listed on the official list of Undertakings for Collective Investment, and have been approved and authorised by the CSSF 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).

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

Currency risk

ETFs may be exposed to currency risk if the ETF is denominated in a currency different to that of the Underlying index they are tracking. This means that exchange rate fluctuations could have a negative or positive effect on returns.

Liquidity risk

Liquidity is provided by registered market-makers on the respective stock exchange where the ETF is listed, including Société Générale. On exchange, liquidity may be limited as a result of a suspension in the underlying market represented by the Underlying index tracked by the ETF; a failure in the systems of one of the relevant stock exchanges, or other market-maker systems; or an abnormal trading situation or event.

Leverage Risk

Leveraged products amplify both gains and losses by a given leverage factor. Losses can therefore potentially be substantial.

Compounding Risk

The performance of single short, double short and leveraged ETFs is calculated on a daily basis. This means there is a compounding effect as the daily return will always be based on the previous day's closing price. Compounding can thus lead to slippage over time between the index and the ETF, meaning single short, double short and leveraged ETFs may not be suitable as long-term holdings.

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