

FOR PROFESSIONAL CLIENTS ONLY

Tackling water scarcity

Lyxor World Water UCITS ETF

Trends such as population growth, aging infrastructure, and climate change are putting increasing pressure on water supply. But with these **challenges** come **opportunities**, and companies around the world have embraced innovation and technology to tackle the problem. The Lyxor World Water UCITS ETF offers a simple, liquid, transparent way to access the water sector.

The fund at a glance

Exposure to the 20 world's largest companies operating in the fields of water utilities, water infrastructure and water treatment.



- ▶ **Water utilities:** water suppliers and waste water post-treatment companies operate facilities and networks to safeguard the global water economy

- Example: Veolia Environnement (France)



- ▶ **Water infrastructure:** suppliers of pipes, pumps, valves and meters, as well as various consulting firms.

- Example: Pentair PLC (Britain)



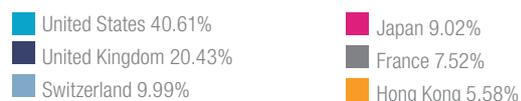
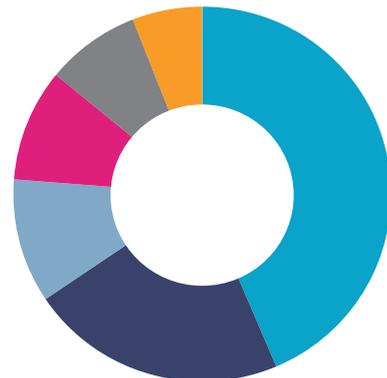
- ▶ **Water treatment:** Suppliers of products and technology for the disinfection, filtration and desalination of water (pre-treatment).

- Example: Severn Trent PLC (Britain)

Global diversified exposure to the water sector

Index country breakdown

World Water CW Net Total Return (WOWAXC)



Source: Lyxor International Asset Management. Data as of 27/07/2017.

Key things to know about the fund

Diversified
exposure to the
global water sector

10 years
track record

+700%
AuM growth
over 4 years¹

#1
The largest water
ETF in Europe²

1. Source : Lyxor International Asset Management, over the period 27/07/2013 to 27/07/2017

2. Source : Lyxor International Asset Management. Based on AuM. Data observed on the European market.

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Stock example: Veolia Environnement:**#1 worldwide in environmental services**

- ▶ French giant with €25bn of revenues in environmental services, representing €11.3bn market cap.
- ▶ Water services include a wide range of expertise from supply to waste water treatment.
- ▶ Drinking water treatment and distribution provides water to 100 million people in the world and treats waste water for 60 million people.

Source: Water Resources Group

Fund's characteristics

| | |
|---------------------|--|
| Index: | World Water CW Net Total Return (WOWAXC) |
| Number of holdings: | 20 stocks |
| Inception date: | 10/10/2007 |
| ISIN: | FR0010527275 |
| Bloomberg ticker: | LYWAT SW |
| AuM: | 579m EUR (as at 21/07/2017) |
| Replication type: | Synthetic |
| TER: | 0.60% |

Fund's performance

| | YTD | 1Y | 3Y | 5Y | Since inception |
|-----------------------------------|-------|-------|--------|---------|-----------------|
| Lyxor World Water UCITS ETF | 5.55% | 3.26% | 48.00% | 105.66% | 184.22% |
| World Water cw Total Return Index | 5.93% | 3.94% | 50.43% | 108.9% | 196.35% |

| | 2016 | 2015 | 2014 | 2013 |
|-----------------------------------|-------|--------|--------|--------|
| Lyxor World Water UCITS ETF | 9.31% | 18.46% | 22.54% | 22.29% |
| World Water cw Total Return Index | 9.94% | 18.96% | 23.12% | 22.90% |

Source : Lyxor International Asset Management. Data as at 21/07/2017. THE FIGURES RELATING TO PAST PERFORMANCES REFER TO PAST PERIODS AND ARE NOT A RELIABLE INDICATOR FOR FUTURE RESULTS. THIS ALSO APPLIES TO HISTORICAL MARKET DATA.

Risk WarningIt is important for potential investors to evaluate the risks described below and in the fund prospectus which can be found on 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 Societe Generale. In-line with UCITS guidelines, the exposure to Societe Generale 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.

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.

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