

KEY INVESTOR INFORMATION

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Lutetia Merger Arbitrage Fund - Class I USD (the "Fund")

ISIN: IE00BY2ZP273 - A sub-fund of the investment company named LYXOR NEWCITS IRL II PLC (the "Company") domiciled in Ireland.
Managed by Lyxor Asset Management S.A.S. ("LAM")

Objectives and investment policy

The Sub-Fund's objective is to outperform the interest rate on the overnight interbank market in euros (EONIA) over a recommended investment horizon of three years, by actively investing in or obtaining exposure to the equity markets (primarily Recognised Markets in Europe and North-America and to a lesser extent in other OECD countries), primarily in the context of merger and acquisition transactions.

There can be no assurance that the Sub-Fund will achieve its investment objective. Shareholders may get back substantially less than they invested if the investments of the Sub-Fund perform poorly. The Sub-Fund does not offer a protection of capital; however the maximum loss an investor may incur is limited to its investment in the Sub-Fund.

The share currency is the US Dollar (USD).

- **Invested financial instruments:** in order to achieve its investment objective, the Sub-Fund will be mainly exposed through direct investments or indirect investments (i.e. through the use of FDI : unfunded swaps, performance swaps, fully funded swaps and contracts for difference) to long and short positions on listed equity securities, such as shares or common stock primarily listed on Recognised Markets in Europe and North-America and to a lesser extent in other OECD countries (the "Portfolio").
- **Dividend policy:** all the Fund's amounts available for distribution (if any) shall not be distributed to Shareholders, but reinvested.
- **Net Asset Value:** calculated each Tuesday, and if such day is not a Business Day, the immediate following Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Valuation Day every fortnight.
- **Redemptions:** the Investor may redeem its units on demand on a weekly basis.

Risk and reward profile



The risk-return category shown above is based on the maximum level of risk that the Fund manager may take while adhering to the Fund's strategy, in view of the past performance of the financial instruments used. This risk estimate may therefore not represent a reliable indicator of future risk, and may be subject to change over time. The lowest category does not mean risk free investment.

The Fund has been classified within category 6. Category 6 indicates that it is possible to suffer a severe loss of capital under normal market conditions ; the value of your investment may change substantially and have quite large daily upside or downside variation.

Main risks not covered by the above indicator which could lead to a decrease in the net asset value of the Fund and which the Fund is authorized to disclose in this document (for more details about risks, please refer to the Risk Profile section of the prospectus):

- **Counterparty risk:** the Fund is exposed to the risk that any credit institution with which it has concluded an agreement or a transaction could become insolvent or otherwise default. If such an event occurs, you could lose a significant part of your investment.
- **Credit risk:** the Fund is exposed to the risk that the credit quality of any direct or indirect debtor of the Fund (be it a state, a financial institution or a corporate) deteriorates or that any such entity defaults. This could cause the net asset value of the Fund to decline.
- **Operational risk and asset custody risk:** in the event of an operational failure within the management company, or one of its representatives, investors could experience delays or other disruptions.
- **Liquidity risk:** in certain circumstances, financial instruments held by the Fund or to which the value of the Fund is linked could suffer a temporary lack of liquidity. This could cause the Fund to lose value, and/or to temporarily suspend the publication of its net asset value and/or to refuse subscription and redemption requests.
- **Risk of using FDI:** the Fund invests in financial derivative instruments in order to reach its investment objective. These instruments may include a range of risks which could lead to their adjustment or result in their early termination. This could lead to the loss of a part of your investment.
- **Capital at risk:** the initial capital invested is not guaranteed. As a consequence, investor's capital is at risk and the amount originally invested may not be recovered.

Charges for this Fund

The charges you pay are used to pay the costs of running the Fund including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

For any additional information regarding charges, please refer to the relevant charges section of the Fund prospectus, available at www.lyxorfunds.com.

One-off charges taken before or after you invest	
Entry Charge:	5 % maximum.
Exit Charge:	None.
This is the maximum that might be taken out of your money before it is invested and before the proceeds of your investment are paid out. The entry and exit charges shown are maximum figures. In some cases you might pay less. Investors can find out the actual entry charges and exit charges from their financial advisor or distributor.	
Charges taken from the Fund over a year.	
Ongoing charge:	1.62 %.
The ongoing charges figure is based on the last year's expenses (including taxes, if any), for the year ending December 2016 and may vary from year to year. It excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units or shares of underlying collective investment schemes.	
Charges taken from the Fund under certain specific conditions	
Performance fee:	0.48% for the year ending 31 December 2016. Class Performance Fee is 20% of net realized and unrealized appreciation in NAV.

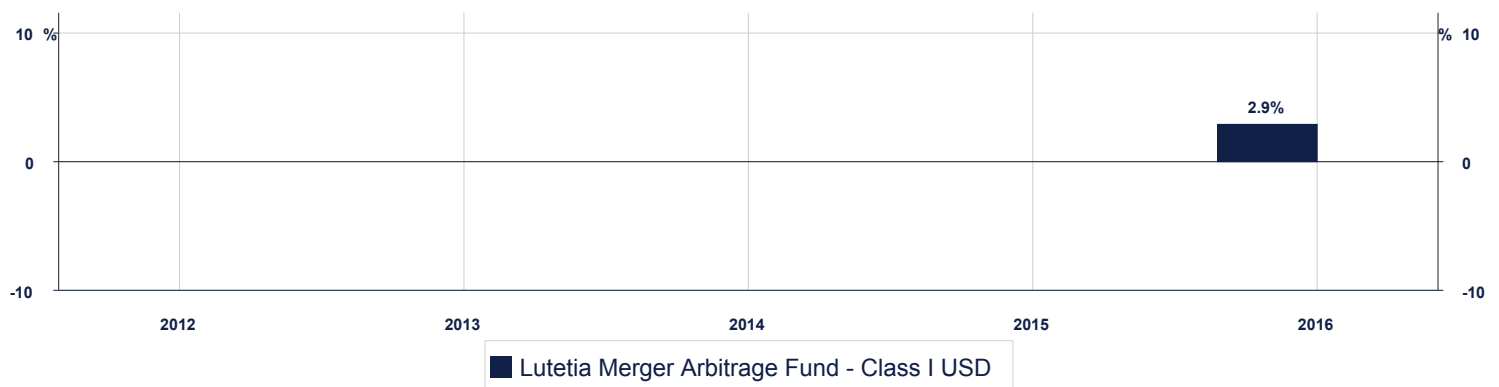
Past performance

Past performances are not a reliable indicator of future results.

The performance is disclosed in US Dollar (USD) and net of all fees charged to the Fund.

The Fund was created on 03 July 2015.

ANNUAL PERFORMANCE OF Lutetia Merger Arbitrage Fund - Class I USD (in %)



Practical information

- **Custodian:** Société Générale.
- **Tax:** tax legislation applicable in the home Member State where the Fund is domiciled may impact investors.
- **Additional information:** the Fund's prospectus, net asset value and other share class information (if any), are available on www.lyxorfunds.com.

Details of the remuneration policy are available on www.lyxor.com.

The prospectus, the details of the remuneration policy, the latest annual report and semi-annual report are also available in English or in French and free of charge upon request from Lyxor Asset Management, Client Servicing, 17, Cours Valmy, Tour Société Générale, 92800 Puteaux, FRANCE.

LAM may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

The prospectus and periodic reports are prepared for the entire Company. The assets and liabilities of each sub-fund of the Company are segregated by law. If applicable, conversion rules between sub-funds (and related fees, if any) are detailed in the prospectus.

The Fund is authorized in Ireland and regulated by the Central Bank of Ireland. LAM is regulated by the *Autorité des marchés financiers* (the French Financial Markets Authority).

The key investor information is accurate and up to date as at 13 February 2017.