

LYXOR INVESTMENT STRATEGIES PLC
(an investment company with variable capital and limited liability)

UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

For the period from 1 January 2019 to 30 June 2019

LYXOR INVESTMENT STRATEGIES PLC

Contents	Page
Organisation	2
Background to the Company	3
Investment Manager's Report	4
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Net Assets attributable to Redeemable Participating Shareholders	8
Statement of Cash Flows	9
Notes to the Financial Statements	10-30
Schedule of Investments	31-32
Statement of Changes in Composition of Portfolio	33
Total Expense Ratio	34
SFT Regulation	35

LYXOR INVESTMENT STRATEGIES PLC

Organisation

Board of Directors

Mr. Peter Madden (Irish, Irish resident)*
Mr. Bryan Tiernan (Irish, Irish resident)**
Mr. Vincent Dodd (Irish, Irish resident)**
Mr. Moez Bousarsar (French, French resident)*

* Non-executive directors

** Independent non-executive director

Registered Office

70 Sir John Rogerson's Quay
Dublin 2
Ireland

Secretary

Matsack Trust Limited
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Depositary

CACEIS Bank, Ireland Branch
One Custom House Plaza
International Financial Services Centre
Dublin 1
Ireland

Sub-Investment Manager

Metori Capital Management
9 rue de la Paix
75002 Paris
France

Irish Legal Advisers

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Manager/Promoter/Investment Manager

Lyxor Asset Management S.A.S.
17, Cours Valmy
92987 Paris La Défense
France

Chartered Accountants and Statutory Audit Firm

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Administrator

CACEIS Ireland Limited
One Custom House Plaza
International Financial Services Centre
Dublin 1
Ireland

LYXOR INVESTMENT STRATEGIES PLC

Background to the Company

Lyxor Investment Strategies plc (the “Company”) is an investment company with variable capital constituted as an umbrella fund with segregated liability between Sub-Funds. The Company was incorporated on 7 December 2010 under the laws of Ireland pursuant to the Companies Act 2014 and is authorised by the Central Bank of Ireland (“Central Bank”) as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the “Central Bank UCITS Regulations”).

As at 30 June 2019, the Company had one active Sub-Fund, the Lyxor Epsilon Global Trend Fund (launched on 13 April 2011) (the “Sub-Fund”).

Investment Objectives

Lyxor Epsilon Global Trend Fund

The investment objective of the Sub-Fund is to achieve capital appreciation over the medium to long term by implementing the Lyxor Epsilon Global Trend Strategy.

The Lyxor Epsilon Global Trend Strategy is a systematic trend following strategy as it seeks to identify upward and downward price trends and to capitalise on them. In order to implement the Lyxor Epsilon Global Trend Strategy, the Sub-Fund’s exposure to the several asset classes on the global markets will be achieved through direct investments in the following instruments: futures, options, swaps and forwards on the following asset classes: equities (such as S&P500, CAC40 or DAX equity indices), bonds (such as UK Gilts, US T-Bills and T-Notes or German Bund, Schatz and Boble), volatility and interest rates; forward currency exchange contracts, currency futures, cross currency asset swaps or currency options; structured debt securities selected by the investment manager, provided that such securities fall within the categorization of “transferable securities” as contemplated by the UCITS Notices; fixed income securities and money market instruments issued by government issuers which are listed, traded or dealt in on one or more of the Recognized Markets set out in Annex I of the Prospectus; and cash deposits and near cash instruments for the purpose of cash management.

Calculation of Net Asset Value/Valuation of Assets

The Net Asset Value of the Sub-Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Sub-Fund and deducting them from the liabilities of the Sub-Fund. Where there is more than one class of Shares in the Sub-Fund, the Net Asset Value per Share of any class is calculated by the Administrator by ascertaining the Net Asset Value of the Sub-Fund as at the Valuation Point for that Sub-Fund on the relevant Dealing Day and determining the amount of the Net Asset Value which is attributable to the relevant class of Shares. The Net Asset Value per Share of the relevant class is calculated by determining that proportion of the Net Asset Value of the Sub-Fund which is attributable to the relevant class at the Valuation Point. The Valuation Point for the Sub-Fund is set out in the Supplement for the Sub-Fund. The Net Asset Value per Share is the resulting sum rounded to the nearest four decimal places.

Dealing Day

Any Business Day on which applications for subscriptions or redemptions will normally be accepted for Shares, as the Directors may from time to time determine, provided there shall be at least one Dealing Day per fortnight in the Sub-Fund.

LYXOR INVESTMENT STRATEGIES PLC

INVESTMENT MANAGER'S REPORT Lyxor Epsilon Global Trend Fund

The Lyxor Epsilon Global Trend Fund ended the first half of 2019 on a very positive note: +14.6% YTD (I USD Share).

Markets were mostly dominated by two opposite (although connected) drivers: central banks' shift to a dovish tone and intensified trade tensions. On top of it, renewed tensions in the Middle East, the Brexit, the Italy budget deficit (to name a few) increased markets' instability. Yet, the dovish tone spreading from the Fed to the ECB seems to have been dominating, leading to record-low government yields and a strong recovery of stock markets. Fixed-income positions were the main contributor, with profits coming from both US short-rate contracts, European bonds (Germany, France, Italy), US bonds and Japanese bonds. The equity book added to the gains, as the fund took advantage of up-trends brought by the new wave of optimism. The FX book was a detractor overall, with a range-bound dollar and reversals in emerging currencies weighing on performance. Starting on a risk-off mode (margin-to-equity dropping to 5.2% early January), the fund progressively moved to risk-on from mid-January to early May (margin-to-equity peaked at 11.8%). Yet, the equity sell-off in May pushed the Epsilon program to reduce its global risk exposure through the end of Q2 (margin-to-equity ended at 9.2%).

Equities:

In the aftermath of 2018's bear market, the fund entered 2019 with a short equity exposure. As markets extended their rebound initiated at the very end of last year, Epsilon quickly covered its shorts and stayed mostly neutral for a few weeks. It shifted to a long exposure starting with North America and Australia, following with Europe and UK. Meanwhile, the fund stayed mostly away from Japan and China as trade tensions dented their performances. The UK position was closed mid-May.

May was a wake-up call, with equities dropping amid intensified trade tensions. Epsilon reduced but maintained its overall long exposure and took advantage of a new bull run in June.

Equities contributed a +2.6% to the fund's performance in the first half of the year. Investors remain nervous in the context of geopolitical tensions and the trade war's impact on global economic growth, calling for more cautious exposures. Epsilon ends the second quarter with a nominal equity exposure at 55%, down from its peak at 95% in early May.

Fixed Income:

Epsilon ended 2018 being caught short on its US fixed income positions. Small remaining shorts were quickly covered early January. The fund turned to a clear long in February. Meanwhile, the European and Japanese books were already long. As the dovish tone spread across central banks, global yields hit record lows.

The main performance contributor was the European book (+7.8%), which recorded gains across Germany, Italy and France. Since the Fed signaled an end to rate hikes in March and opened the door for rate cuts in June, the fund has made strong gains on the Eurodollar (+5.3%) and US bonds (+1.2%). Meanwhile, the long position on the JGB (supported by the Bank of Japan's regular bond-buying operations) added to the gains (+1.7%).

Yet, as the fund took away part of its global risk from mid-May to late June, the fund halved its long Eurodollar position and materially reduced its European long bond exposures.

Currencies:

The FX complex has been a sideways market, starting with a reversal on the Russian currency and ending with a reversal on the Mexican Peso. Meanwhile, the USD did not exhibit any clear direction.

Epsilon entered 2019 with a long USD against major currencies. The position increased in late January and again in late February / early March and then moved in a range until early June. The position became more erratic in June but was overall reduced. Positions on Euro crosses (vs. JPY and GBP) were mostly a long GBP that increased until early March but was quickly reduced afterwards - and eventually closed in May. Meanwhile, the fund maintained a small long JPY.

On the emerging currencies front, the two main positions have been a short Russian Rubble that shifted to a long, and a long Mexican Peso that was reduced but maintained in late May. To a smaller extent, the fund has been overall short the Brazilian currency.

LYXOR INVESTMENT STRATEGIES PLC

INVESTMENT MANAGER'S REPORT (continued)

Lyxor Epsilon Global Trend Fund (continued)

The currency portfolio returned mixed performances. The sector was a positive contributor until late May but eventually ended Q2 in the red (down 2.9%). Emerging currencies and Dollar vs. G10 contributed almost equally to the loss, while Euro crosses were almost flat.

Lyxor Asset Management S.A.S.
August 2019

LYXOR INVESTMENT STRATEGIES PLC

**Statement of Comprehensive Income
For the period ended 30 June 2019**

		Lyxor Epsilon Global Trend Fund* 30 June 2019	Lyxor Epsilon Global Trend Fund* 30 June 2018
		EUR	EUR
Income	Note		
Interest income	1(d)	508	2,808
Net gain on financial assets and financial liabilities at fair value through profit or loss	4	45,585,473	1,381,999
Total Investment Gain		45,585,981	1,384,807
Operating Expenses			
Management fees	5	(1,595,899)	(1,403,124)
Performance fees	5	(3,125,584)	143,657
Global administrative fees	5	(215,500)	(188,125)
Transaction costs	1(k)	(315,080)	(306,603)
Total Operating Expenses		(5,252,063)	(1,754,195)
Net Income/(Expense)		40,333,918	(369,388)
Finance Costs			
Interest expense	1(d)	(297,627)	(298,383)
Increase/(Decrease) in net assets attributable to redeemable participating shareholders resulting from operations		40,036,291	(667,771)

Gains and losses arose solely from continuing operations.

There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

*Lyxor Epsilon Global Trend Fund was the only Sub-Fund in the Company and therefore the above details of Lyxor Epsilon Global Trend Fund are also those of the Company for the period ended 30 June 2019 and 30 June 2018.

The accompanying notes form an integral part of the financial statements.

LYXOR INVESTMENT STRATEGIES PLC

Statement of Financial Position As at 30 June 2019

		Lyxor Epsilon Global Trend Fund* 30 June 2019 EUR	Lyxor Epsilon Global Trend Fund* 31 December 2018 EUR
	Note		
Current assets			
Financial assets at fair value through profit or loss:			
Investments at fair value	1 (c), 7 (e)	276,885,044	295,201,750
Unrealised gain on futures contracts	1 (c), 6	8,916,422	1,687,431
Unrealised gain on forward foreign exchange contracts	1 (c), 6	2,924	274,172
Subscriptions receivable	1 (g)	1,983,200	290,428
Cash and cash equivalents	3	10,045,985	10,971,394
Margin cash balance	3	45,808,651	26,198,728
Total Current Assets		343,642,226	334,623,903
Current liabilities			
Financial liabilities at fair value through profit or loss:			
Unrealised loss on futures contracts	1(c), 6	(2,175,195)	(4,302,169)
Unrealised loss on forward foreign exchange contracts	1 (c), 6	(1,274,759)	(398)
Redemptions payable	1 (g)	(502,461)	(364,753)
Margin overdraft balance	3	(8,164,441)	(691,798)
Management fees payable	5	(790,678)	(963,101)
Performance fees payable	5	(3,125,493)	(162,893)
Global administrative fees payable	5	(107,933)	(128,229)
Total Current Liabilities		(16,140,960)	(6,613,341)
Net assets attributable to redeemable participating shareholders		327,501,266	328,010,562

*Lyxor Epsilon Global Trend Fund was the only Sub-Fund in the Company and therefore the above details of Lyxor Epsilon Global Trend Fund are also those of the Company as at 30 June 2019 and 31 December 2018.

The accompanying notes form an integral part of the financial statements.

LYXOR INVESTMENT STRATEGIES PLC

Statement of Changes in Net Assets attributable to Redeemable Participating Shareholders For the period ended 30 June 2019

	Lyxor Epsilon Global Trend Fund* 30 June 2019 EUR	Lyxor Epsilon Global Trend Fund* 30 June 2018 EUR
Net assets attributable to redeemable participating shareholders at 1 January	328,010,562	240,916,010
Increase/(Decrease) in net assets attributable to redeemable participating shareholders resulting from operations	40,036,291	(667,771)
Share Transactions		
Proceeds from redeemable participating shares issued	72,550,942	116,845,797
Payments for redeemable participating shares redeemed	<u>(113,096,529)</u>	<u>(45,015,377)</u>
Net (decrease)/increase in net assets resulting from share transactions	(40,545,587)	71,830,420
Net assets attributable to redeemable participating shareholders at 30 June	<u>327,501,266</u>	<u>312,078,659</u>

*Lyxor Epsilon Global Trend Fund was the only Sub-Fund in the Company and therefore the above details of Lyxor Epsilon Global Trend Fund are also those of the Company for the period ended 30 June 2019 and 30 June 2018.

The accompanying notes form an integral part of the financial statements.

LYXOR INVESTMENT STRATEGIES PLC

**Statement of Cash Flows
For the period ended 30 June 2019**

	Note	Lyxor Epsilon Global Trend Fund* 30 June 2019 EUR	Lyxor Epsilon Global Trend Fund* 30 June 2018 EUR
Cash flows from operating activities			
Interest received		508	2,808
Proceeds from sale of investments		387,341,371	142,273,317
Purchase of investments		(331,249,547)	(214,128,455)
Movement in margin cash balance		(12,137,280)	(4,301,700)
Operating expenses paid		(2,482,182)	3,665,342
Interest paid		(297,627)	(298,383)
Net cash provided/(used in) by operating activities		<u>41,175,243</u>	<u>(72,787,071)</u>
Cash flows from financing activities			
Proceeds from issue of redeemable shares		70,858,170	120,592,718
Payments on redemption of redeemable shares		(112,958,822)	(46,054,690)
Net cash (used in)/provided by financing activities		<u>(42,100,652)</u>	<u>74,538,028</u>
Net (decrease)/increase in cash and cash equivalents		(925,409)	1,750,957
Cash and cash equivalents at beginning of the period	3	<u>10,971,394</u>	<u>12,472,820</u>
Cash and cash equivalents at end of period	3	<u>10,045,985</u>	<u>14,223,777</u>

*Lyxor Epsilon Global Trend Fund was the only Sub-Fund in the Company and therefore the above details of Lyxor Epsilon Global Trend Fund are also those of the Company for the period 30 June 2019 and 30 June 2018.

The accompanying notes form an integral part of the financial statements.

LYXOR INVESTMENT STRATEGIES PLC

Notes to the Financial Statements (continued)

1. Significant Accounting Policies

The principal accounting policies and estimation techniques applied in the preparation of these financial statements are set out below. The accounting policies applied and method of computation followed in these financial statements are the same as those applied in the Company's annual financial statements, as at and for the year ended 31 December 2018.

a) Basis of Preparation

Lyxor Investment Strategies plc (the "Company") was incorporated on 7 December 2010 under registration number 492330. These financial statements have been prepared for the period from 1 January 2019 to 30 June 2019. Comparative figures are for the year ended 31 December 2018 for the Statement of Financial Position and related notes and for the period from 1 January 2018 to 30 June 2018 for the Statement of Comprehensive Income and related notes, the Statement of Changes in Net Assets attributable to Redeemable Participating Shareholders and the Statement of Cash Flows. As at 30 June 2019, the Company had one active Sub-Fund, the Lyxor Epsilon Global Trend Fund (launched on 13 April 2011) (the "Sub-Fund").

The unaudited financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and those parts of the Companies Act 2014 applicable to companies reporting under IFRS as adopted by the European Union. The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss. These condensed financial statements have been prepared in conformity with the requirements for interim financial reporting in IAS 34.

The preparation of financial statements in conformity with IFRS, as adopted by the European Union, requires the use of certain critical accounting estimates. It also requires the Board of Directors, based on the advice of the Investment Manager, to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

b) Standards, amendments and interpretations to existing standards

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company

c) Financial Assets/Liabilities at Fair Value through Profit or Loss

Classification

Assets:

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Sub-Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Sub-Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

c) Financial Assets/Liabilities at Fair Value through Profit or Loss (continued)

Classification (continued)

Liabilities:

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Sub-Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

The Fund's policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Recognition/Derecognition

Regular-way purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the asset. Investments are initially recognised at cost, and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Measurement

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are presented in the Statement of Comprehensive Income in the period in which they arise.

Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Forward foreign exchange contracts

The Sub-Fund may enter into forward foreign exchange contracts. All forward foreign exchange contracts are fair valued using forward exchange rates prevailing at the relevant valuation date for the remaining period to maturity and any resulting unrealised gains are recorded as financial assets and unrealised losses as financial liabilities in the Statement of Financial Position, accordingly. Realised gains and losses are recorded in the Statement of Comprehensive Income at the time the forward exchange contracts settle.

Futures

Futures are contracts for delayed delivery of commodities, securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified commodity or instrument, at a specified price or yield. Futures contracts are valued on the basis of the latest available valuation provided by the counterparty, Société Générale Newedge – UK Limited. Gains and losses on futures are recorded by the Sub-Fund based upon market fluctuations and are recorded as realised or unrealised gains or losses in the Statement of Comprehensive Income.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

c) Financial Assets/Liabilities at Fair Value through Profit or Loss (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when and only when the Company has a legal right to offset the amounts and it intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Realised Gains and Losses from Sale of Investments

Realised gains and losses on investment transactions are calculated using the average cost method.

Gains and losses realised on the sale of all financial assets and financial liabilities carried at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

d) Accounting for Investment Income and Expenses

Interest income and interest from financial assets at fair value through profit or loss

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

Operating Expenses

The Sub-Fund of the Company shall pay all of its expenses and such proportion of the Company's expenses as is attributable to it. All expenses are accrued on a daily basis as part of net asset valuation each day. See note 5 for further details on fees paid by the Company.

e) Foreign Currency

Functional and Presentation Currency

Items included in the Sub-Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The Euro ("EUR") is the functional and presentation currency for the Sub-Fund. The EUR is the presentation currency for the Company as a whole.

Monetary assets and liabilities denominated in currencies other than the functional currencies are translated into the functional currency at the closing rates of exchange at each period end. Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in realised and unrealised gains and losses on investments in the Statement of Comprehensive Income.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

e) Foreign Currency (continued)

Functional and Presentation Currency (continued)

The following exchange rates were used at 30 June 2019 and 31 December 2018 to convert investments and other assets and liabilities denominated from local to base currency:

30 June 2019		31 December 2018	
	EUR		EUR
AUD	1.62280	AUD	1.62380
CAD	1.48810	CAD	1.56130
CHF	1.11035	CHF	1.12690
GBP	0.89480	GBP	0.89755
HKD	8.89690	HKD	8.95015
JPY	122.69435	JPY	125.42070
SEK	10.56600	SEK	10.13500
USD	1.13880	USD	1.14315
ZAR	16.05855	ZAR	16.44420

f) Redeemable Participating Shares

All redeemable shares issued by the Sub-Fund provide the investors with the right to require redemption for cash at the value proportionate to the investors share in the Sub-Fund's net assets at the redemption date. In accordance with IAS 32 such instruments give rise to a financial liability for the present value of the redemption amount.

g) Subscriptions Receivable/ Redemptions Payable

Subscriptions receivable and redemptions payable represent amounts due from or to investors for share dealing contracted but unsettled at Statement of Financial Position date.

h) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less. Bank overdrafts are presented as a liability in the Statement of Financial Position.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

i) Margin Cash and Margin Overdraft

Margin cash and margin overdraft consist of cash holdings with brokers, transferred as collateral against derivatives.

j) Taxation

Liabilities relating to uncertain tax positions are accrued only when such liabilities are probable and can be estimated with reasonable accuracy.

k) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. Only transaction costs which are separately identifiable are disclosed in the Statement of Comprehensive Income. These include transaction costs paid to depositaries, identifiable brokerage charges and commissions, identifiable transaction related taxes and other market charges and separately identifiable transaction costs related to financial derivative instruments.

2. Number of Shares in Issue and Net Assets attributable to Redeemable Participating Shareholders

Authorised

The authorised share capital of the Company is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 Ordinary Shares of no par value.

The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up.

The Redeemable Participating Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally in the profits and assets of the Sub-Funds to which the Shares relate.

The Subscriber Shares are solely held by Lyxor Asset Management S.A.S.

The movement in redeemable participating shares in the Company during the period ended 30 June 2019 was as follows:

30 June 2019

	Lyxor Epsilon Global Trend Fund EUR Class A	Lyxor Epsilon Global Trend Fund USD Class A	Lyxor Epsilon Global Trend Fund CHF Class I
Shares in issue at beginning of the period	140,749	3,000	8
Shares issued during the period	9,012	-	101
Shares redeemed during the period	(68,598)	(3,000)	0
Shares in issue at the end of the period	81,163	-	109

	Lyxor Epsilon Global Trend Fund EUR Class I	Lyxor Epsilon Global Trend Fund GBP Class I	Lyxor Epsilon Global Trend Fund USD Class I
Shares in issue at beginning of the period	1,807,625	420,944	416,717
Shares issued during the period	484,622	29,370	61,719
Shares redeemed during the period	(782,502)	(26,434)	(42,820)
Shares in issue at the end of the period	1,509,745	423,880	435,616

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

2. Number of Shares in Issue and Net Assets attributable to Redeemable Participating Shareholders (continued)

The movement in redeemable participating shares in the Company during the period ended 30 June 2018 was as follows:

	Lyxor Epsilon Global Trend Fund EUR Class A	Lyxor Epsilon Global Trend Fund USD CLASS A	Lyxor Epsilon Global Trend Fund CHF Class I
Shares in issue at beginning of the period	122,980	3,961	985
Shares issued during the period	42,688	-	-
Shares redeemed during the period	(15,683)	-	-
Shares in issue at the end of the period	149,985	3,961	985

	Lyxor Epsilon Global Trend Fund EUR CLASS I	Lyxor Epsilon Global Trend Fund GBP Class I	Lyxor Epsilon Global Trend Fund USD CLASS I
Shares in issue at beginning of the period	1,643,348	14,822	104,926
Shares issued during the period	808,460	3,286	51,221
Shares redeemed during the period	(314,195)	(1,273)	(17,997)
Shares in issue at the end of the period	2,137,613	16,835	138,150

3. Cash and Cash Equivalents

	Lyxor Epsilon Global Trend Fund 30 June 2019 EUR	Lyxor Epsilon Global Trend Fund 31 December 2018 EUR
Cash and cash equivalents	10,045,985	10,971,394
Margin cash balance	45,808,651	26,198,728
Margin overdraft balance	(8,164,441)	(691,798)
	47,690,195	36,478,324

All cash balances and overdrafts are held with CACEIS Bank, Ireland Branch. Margin balances and overdrafts are held with Société Générale Newedge – UK Limited.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

4. Net gains and losses on financial assets and liabilities at fair value through profit or loss

	Lyxor Epsilon Global Trend Fund 30 June 2019 EUR	Lyxor Epsilon Global Trend Fund 30 June 2018 EUR
Net realised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss:		
Bond positions	5,080,422	(450,185)
Treasury bills	(928,290)	-
Futures contracts	5,006,244	318,351
Forward foreign exchange contracts*	2,663,247	562,681
Foreign currency	32,896	(109,377)
	<u>11,854,519</u>	<u>321,470</u>
Net change in unrealised gain from financial assets and financial liabilities at fair value through profit or loss:		
Bond positions	25,685,341	3,988,710
Treasury bills	235,258	-
Futures contracts	9,355,964	(2,944,059)
Forward foreign exchange contracts*	(1,545,609)	15,878
	<u>33,730,954</u>	<u>1,060,529</u>
Total net gain on financial assets and financial liabilities at fair value through profit or loss	<u>45,585,473</u>	<u>1,381,999</u>

*The above gains/(losses) on forward currency contracts and foreign exchange also includes those related to FX contracts placed for share class hedging purposes.

5. Fees

Management Fee

The Company may charge a management fee which will be paid to the Manager (Lyxor Asset Management S.A.S. (the "Manager")). The management fee, with the exception of any performance fee payable in respect of the Sub-Fund, shall accrue daily and be payable quarterly in arrears. The Manager will pay any sub-investment manager out of the management fee.

Lyxor Epsilon Global Trend Fund

Class A Shares are subject to a management fee of up to 1.75% per annum and Class I Shares are subject to a management fee of up to 1.00% per annum. Management fees charged during the period amounted to EUR 1,595,899 (30 June 2018: EUR 1,403,124) of which EUR 790,678 (31 December 2018: EUR 963,101) was payable at the period end.

Administration, Depositary and Global Administrative Fees

CACEIS Ireland Limited acts as Administrator to the Company, pursuant to the Administration Agreement dated 4 April 2011. For administration, registrar services and transfer agent services provided, the Administrator shall be entitled to receive out of the net assets of the Sub-Fund an annual fee, accrued daily and paid quarterly in arrears.

CACEIS Bank, Ireland Branch acts as Depositary to the Company, pursuant to the Custodian Agreement 4 April 2011 and updated on 6 June 2017. For services rendered the Depositary shall be entitled to receive out of the net assets of the Sub-Fund an annual fee, accrued daily and paid quarterly in arrears.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

5. Fees (continued)

Administration, Depositary and Global Administrative Fees (continued)

Lyxor Epsilon Global Trend Fund

The Sub-Fund shall be subject to a Global Administrative expenses fee at a fixed rate of up to €30,000 per annum, together with an additional fee of up to 0.13% of the Net Asset Value of each Class of the Sub-Fund per annum, out of which will be paid the fees and expenses of the Depositary and the Administrator.

The Global Administrative expenses fees charged for Sub-Fund for the period ended 30 June 2019 amounted to EUR 215,500 (30 June 2018: EUR 188,125) of which EUR 107,933 (31 December 2018: EUR 128,229) was payable at the period end.

Performance Fees

Lyxor Epsilon Global Trend Fund

A class performance fee of up to 15% may be applied to each Share in each share class of the Sub-Fund. The return of the Sub-Fund's Net Asset Value per Share will reflect a performance fee to be charged at the end of each incentive fee period if the Sub-Fund's Net Asset Value per Share, at the end of such incentive fee period, exceeds the High Water Mark (after deduction of all fees charged to the Sub-Fund, to the exclusion of the Sub-Fund's class performance fees).

The High Water Mark is

(i) for any Share Class issued on or after 25 February 2014, for the initial Incentive Fee Period, the initial offer price per Share of the relevant Share Class and thereafter, the highest value of the Sub-Fund's Net Asset Value per Share on the last Valuation Day of any Incentive Fee Period after deduction of all fees charged to the Sub-Fund or the initial offer price per Share of the relevant Share Class, whichever is greater, in each case adjusted to reflect a rate of return equal to the 1-year Euribor interest rate in effect at the beginning of the relevant Incentive Fee Period (each Incentive Fee Period being the period ending on the 21st calendar day of December in each year, or if it is not a Valuation Day, on the following Valuation Day).

(ii) for any Share Class already in issue on 25 February 2014, initially equal to the high watermark of the Lyxor Global Trend Strategy Index on 25 February 2014 adjusted to reflect a rate of return equal to the 1-year Euribor interest rate in effect on 24 December 2013 and for each subsequent Incentive Fee Period it will be the highest value of the Sub-Fund's Net Asset Value per Share on the last Valuation Day of any Incentive Fee Period after deduction of all fees charged to the Sub-Fund (or the high watermark of the Lyxor Global Trend Strategy Index on 25 February 2014, whichever is greater) in each case adjusted to reflect a rate of return equal to the 1-year Euribor interest rate in effect at the beginning of the relevant Incentive Fee Period.

Performance fees charged for the period ended 30 June 2019 amounted to EUR 3,125,584 (30 June 2018: EUR (143,657)) and EUR 3,125,493 was payable at the period end (31 December 2018: EUR 162,893).

** The calculation of the Classes performance is verified by the Depositary.*

Directors Fees

The Directors shall be entitled to a fee as remuneration for their services at a rate to be determined from time to time by the Directors provided that the amount of remuneration payable to each Director in any one (1) year in respect of the Company shall not exceed in one year €15,000 per Sub-Fund or such other amount as may be approved by a resolution of the Directors and disclosed to the Shareholders in the annual or semi-annual accounts. For the period ended 30 June 2019 all Directors fees were paid by the Manager on behalf of the Company. This amounted to EUR 11,667 for the period to 30 June 2019 (30 June 2018: EUR 11,667).

Mr. Peter Madden and Mr. Moez Bousarsar are not entitled to receive fees for their services as Directors to the Company during the period.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

5. Fees (continued)

Directors Fees (continued)

The Manager, Administrator, Depositary and Directors are entitled to reimbursement of all out-of-pocket expenses.

6. Derivative Contracts

The Sub-Fund uses futures and forward currency exchange contracts to achieve its investment objective.

Forward foreign exchange contracts entered into by the Sub-Fund of the Company represent a firm commitment to buy or sell an underlying asset or currency at a specified value and point in time based upon an agreed or contracted quantity. The realised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date and are included in the Statement of Comprehensive Income.

Futures contracts held by the Sub-Fund of the Company are exchange traded derivatives which represent agreements to buy or sell a financial instrument in the future for a specified price. The future contracts are collateralised by cash held by brokers in margin accounts and changes in the value of the contracts are settled net, on a daily basis. The fair value of the future contracts are included in the Statement of Financial Position.

As at 30 June 2019, the following derivative contracts were included in the Company's Statement of Financial Position at fair value through profit or loss:

Forward foreign exchange contracts

CCY	Buy CCY	Sell	Maturity	Unrealised Gain EUR	Counterparty
EUR	131,433 GBP	(117,000)	05 July 2019	701	Société Générale
EUR	92,323 GBP	(82,000)	05 July 2019	698	Société Générale
EUR	593,885 USD	(676,000)	05 July 2019	534	Société Générale
EUR	60,660 GBP	(54,000)	05 July 2019	322	Société Générale
EUR	52,892 USD	(60,000)	05 July 2019	229	Société Générale
EUR	24,730 GBP	(22,000)	05 July 2019	147	Société Générale
EUR	15,727 GBP	(14,000)	05 July 2019	84	Société Générale
EUR	12,345 USD	(14,000)	05 July 2019	57	Société Générale
GBP	20,000 EUR	(22,300)	05 July 2019	49	Société Générale
CHF	10,800 EUR	(9,687)	05 July 2019	40	Société Générale
EUR	36,911 USD	(42,000)	05 July 2019	38	Société Générale
GBP	22,000 EUR	(24,559)	05 July 2019	25	Société Générale
CHF	1,000 EUR	(900)	05 July 2019	-	Société Générale
Total unrealised gains on forward foreign exchange contracts				2,924	

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

6. Derivative Contracts (continued)

Forward foreign exchange contracts (continued)

CCY	Buy CCY	Sell	Maturity	Unrealised (Loss) EUR	Counterparty
GBP	53,479,000 EUR	(60,401,065)	05 July 2019	(645,128)	Société Générale
USD	57,997,000 EUR	(51,466,786)	05 July 2019	(562,623)	Société Générale
USD	1,560,000 EUR	(1,390,434)	05 July 2019	(20,571)	Société Générale
USD	1,560,000 EUR	(1,384,486)	05 July 2019	(14,623)	Société Générale
USD	1,337,000 EUR	(1,184,124)	05 July 2019	(9,583)	Société Générale
GBP	690,000 EUR	(779,360)	05 July 2019	(8,238)	Société Générale
GBP	1,435,000 EUR	(1,611,814)	05 July 2019	(8,104)	Société Générale
GBP	1,432,000 EUR	(1,605,523)	05 July 2019	(5,165)	Société Générale
GBP	71,000 EUR	(79,677)	05 July 2019	(344)	Société Générale
GBP	30,000 EUR	(33,712)	05 July 2019	(190)	Société Générale
GBP	9,000 EUR	(10,112)	05 July 2019	(52)	Société Générale
EUR	22,303 GBP	(20,000)	01 July 2019	(48)	Société Générale
USD	42,000 EUR	(36,921)	02 July 2019	(39)	Société Générale
EUR	24,561 GBP	(22,000)	02 July 2019	(25)	Société Générale
GBP	28,000 EUR	(31,305)	05 July 2019	(19)	Société Générale
EUR	11,167 GBP	(10,000)	05 July 2019	(6)	Société Générale
EUR	7,821 GBP	(7,000)	05 July 2019	(1)	Société Générale
CHF	1,000 EUR	(900)	05 July 2019	-	Société Générale
Total unrealised loss on forward foreign exchange contracts				(1,274,759)	

All open Forward Foreign Exchange Contracts held at 30 June 2019 are held for share class hedging purposes.

Future Contracts

Lyxor/Epsilon Global Trend Fund

Contract Size	Description	Maturity Date	Unrealised Gain/(loss) EUR	Counterparty
Currency Futures				
1,933	USD-RUB (CME /201909)	30 September 2019	402,332	Société Générale Newedge-UK Limited
1,916	USD/MXN (CME /201909)	30 September 2019	62,983	Société Générale Newedge-UK Limited
(13)	EUR/JPY (CM /201909)	30 September 2019	4,371	Société Générale Newedge-UK Limited
Total unrealised gain on currency futures			469,686	
Index Futures				
623	CAC40 10 EUR /201907	31 July 2019	1,021,560	Société Générale Newedge-UK Limited
476	SPI 200 INDE /201909	30 September 2019	642,454	Société Générale Newedge-UK Limited
443	S&P/TSE CAN /201909	30 September 2019	495,620	Société Générale Newedge-UK Limited
469	SWISS MARKET /201909	30 September 2019	130,490	Société Générale Newedge-UK Limited
186	DJ EURO STOXX /201606	30 September 2019	50,760	Société Générale Newedge-UK Limited
Total unrealised gain on index futures			2,340,884	

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

6. Derivative Contracts (continued)

Futures Contracts (continued)

Lyxor/Epsilon Global Trend Fund

Contract Size	Description	Maturity Date	Unrealised Gain/(loss) EUR	Counterparty
Interest Rate Futures				
4,257	EURO/USD 90D /201909	30 September 2019	3,237,816	Société Générale Newedge-UK Limited
3,274	EURO/USD 90D /201912	31 December 2019	2,330,479	Société Générale Newedge-UK Limited
749	EURO/USD 90D /202003	31 March 2020	532,282	Société Générale Newedge-UK Limited
25	3MO EURO EUR /201909	30 September 2019	5,275	Société Générale Newedge-UK Limited
Total unrealised gain on interest rate futures			<u>6,105,852</u>	
Total unrealised gain on futures contracts			<u>8,916,422</u>	
Currency Futures				
(384)	EUR/USD (CME /201909)	30 September 2019	(193,180)	Société Générale Newedge-UK Limited
(1,481)	USD/GBP (CME /201909)	30 September 2019	(454,661)	Société Générale Newedge-UK Limited
(1,489)	USD/AUD (CME /201909)	30 September 2019	(1,348,850)	Société Générale Newedge-UK Limited
Total unrealised loss on currency futures			<u>(1,996,691)</u>	
Index Futures				
(108)	E-MINI RUSSE /201909	30 September 2019	(178,504)	Société Générale Newedge-UK Limited
Total unrealised loss on index futures			<u>(178,504)</u>	
Total unrealised loss on futures contracts			<u>(2,175,195)</u>	

As at 31 December 2018, the following derivative contracts were included in the Company's Statement of Financial Position at fair value through profit or loss:

Forward foreign exchange contracts

Lyxor/Epsilon Global Trend Fund

CCY	Buy CCY	Sell	Maturity	Unrealised Gain EUR	Counterparty
GBP	50,256,000 EUR	(55,668,581)	25 January 2019	253,779	Société Générale
USD	51,493,000 EUR	(44,926,813)	25 January 2019	20,052	Société Générale
GBP	27,000 EUR	(29,920)	02 January 2019	162	Société Générale
USD	307,000 EUR	(267,853)	25 January 2019	120	Société Générale
USD	68,000 EUR	(59,330)	25 January 2019	49	Société Générale
USD	5,000 EUR	(4,361)	25 January 2019	5	Société Générale
GBP	5,000 EUR	(5,565)	03 January 2019	5	Société Générale
Total unrealised gains on forward foreign exchange contracts				<u>274,172</u>	

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

6. Derivative Contracts (continued)

Forward foreign exchange contracts (continued)

Lyxor/Epsilon Global Trend Fund

CCY	Buy CCY	Sell	Maturity	Unrealised (Loss) EUR	Counterparty
EUR	29,896 GBP	(27,000)	25 January 2019	(165)	
EUR	16,576 GBP	(15,000)	25 January 2019	(113)	
EUR	38,840 GBP	(35,000)	25 January 2019	(111)	
EUR	5,561 GBP	(5,000)	25 January 2019	(5)	
EUR	4,370 USD	(5,000)	02 January 2019	(4)	
Total unrealised loss on forward foreign exchange contracts				(398)	

All open Forward Foreign Exchange Contracts held at 31 December 2018 were held for share class hedging purposes.

Futures Contracts

Lyxor/Epsilon Global Trend Fund

Contract Size	Description	Maturity Date	Unrealised Gain/(loss) EUR	Counterparty
Currency Futures				
(67)	EUR/JPY (CM /201903	31 March 2019	25,793	Société Générale Newedge-UK Limited
(426)	USD/AUD (CME /201903	31 March 2019	323,142	Société Générale Newedge-UK Limited
(320)	USD/CAD (CME /201903	31 March 2019	319,669	Société Générale Newedge-UK Limited
(1,390)	USD-RUB (CME /201903	31 March 2019	69,118	Société Générale Newedge-UK Limited
Total unrealised gain on currency futures			737,722	
Index Futures				
(129)	CAC40 10 EUR /201901	31 January 2019	101,745	Société Générale Newedge-UK Limited
(52)	DAX INDEX GE /201903	31 March 2019	351,075	Société Générale Newedge-UK Limited
(23)	DJIA MINI FU /201903	31 March 2019	33,727	Société Générale Newedge-UK Limited
(68)	FTSE 100 IND /201903	31 March 2019	72,453	Société Générale Newedge-UK Limited
(147)	IBEX 35 INDE /201901	31 January 2019	381,123	Société Générale Newedge-UK Limited
(51)	NASDAQ 100 E-MINI	31 March 2019	1,846	Société Générale Newedge-UK Limited
(36)	S&P 500 EMINI INDEX	31 March 2019	6,716	Société Générale Newedge-UK Limited
Total unrealised gain on index futures			948,685	
Interest Rate Futures				
(197)	90DAY GBP LI /201903	31 March 2019	1,024	Société Générale Newedge-UK Limited
Total unrealised gain on interest rate futures			1,024	
Total unrealised gain on futures contracts			1,687,431	
Currency Futures				
(1,077)	BRAZIL REAL	28 February 2019	(263,798)	Société Générale Newedge-UK Limited
(730)	JPN YEN CURR /201903	31 March 2019	(2,036,106)	Société Générale Newedge-UK Limited
(250)	USD/CHF (CME /201903	31 March 2019	(162,708)	Société Générale Newedge-UK Limited
Total unrealised loss on currency futures			(2,462,612)	

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

6. Derivative Contracts (continued)

Futures Contracts (continued)

Lyxor/Epsilon Global Trend Fund

Contract Size	Description	Maturity Date	Unrealised	Counterparty
			Gain/(loss) EUR	
	Index Futures			
(6)	S&P/TSE CAN /201903	31 March 2019	(8,826)	Société Générale Newedge-UK Limited
(315)	SPI 200 INDE /201903	31 March 2019	<u>(70,544)</u>	Société Générale Newedge-UK Limited
	Total unrealised loss on index futures		<u>(79,370)</u>	
	Interest Rate Futures			
2,555	3MO EURO EUR /201903	31 March 2019	(22,188)	Société Générale Newedge-UK Limited
(7,090)	EURO/USD 90D /201903	31 March 2019	<u>(1,737,999)</u>	Société Générale Newedge-UK Limited
	Total unrealised loss on interest rate futures		<u>(1,760,187)</u>	
	Total unrealised loss on futures contracts		<u><u>(4,302,169)</u></u>	

7. Financial Risk Management

(a) Overall risk management

The Company/Sub-Fund is exposed to a number of risks due to the nature of its activities. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company/Sub-Fund trades financial instruments that may be impacted by market liquidity, credit worthiness of issuers and/or counterparties, changes in interest rate, currency, market prices and volatility.

The Company/Sub-Fund is also exposed to operational risk such as Depository or counterparty risk. Depository or counterparty risk is the risk of loss being incurred on securities in custody as a result of the counterparty's or the Depository's insolvency, negligence, misuse of assets, fraud, poor administration or inadequate record-keeping. In the event that one of the Company/Sub-Fund's counterparties or Depository becomes bankrupt and/or fails to segregate the Company/Sub-Fund's assets on deposit as required, the Company/Sub-Fund may be subject to a risk of loss. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the counterparty, in the event of its failure, the ability of the Company/Sub-Fund to transfer the securities might be temporarily impaired.

The Company/Sub-Fund's risk management policies are approved by the Board of Directors and seek to minimise the potential adverse effects of these risks on the Company/Sub-Fund's financial performance. The risk management system is an ongoing process of identification, measurement, monitoring and controlling risk.

In order to avoid excessive concentrations of risk, the Company/Sub-Fund's investment policies and risk management procedures include specific guidelines to ensure the maintenance of a diversified portfolio.

(b) Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Company/Sub-Fund. There is a possibility that an issuer will be unable to make interest payments and repay principal when due. Changes in an issuer's financial strength or in a financial instrument's credit rating may affect a financial instrument's value.

At the reporting date, financial assets and financial liabilities exposed to credit risk include treasury bills. The carrying amount of the financial assets and financial liabilities are disclosed in the Statement of Financial Position on page 7. It is the opinion of the Manager that the carrying amounts of these financial assets and financial liabilities represent the credit risk exposure at the reporting date.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

7. Financial Risk Management (continued)

(b) Credit Risk (continued)

The credit risk on cash transactions and transactions involving derivative financial instruments is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with counterparties with high credit ratings assigned by a recognised rating agency.

Counterparties Risk

In accordance with the investment restrictions as described in the prospectus, where the Company/Sub-Fund directly enters into over-the-counter derivative transactions or other arrangements with counterparties and where assets are transferred to those counterparties, each counterparty must have a minimum credit rating of at least A-2 from S&P or equivalent by a recognised rating agency.

Substantially all of the assets of the Company/Sub-Fund are held in segregated accounts by the Depositary, CACEIS Bank, Ireland Branch and by the counterparties Société Générale and Société Générale Newedge – UK Limited. Bankruptcy or insolvency of the Depositary or counterparties may cause the Company/Sub-Fund's rights with respect to securities held by the Depositary or counterparty to be delayed or limited in certain cases. The Company/Sub-Fund monitors its risk by monitoring the credit quality and financial positions of the counterparties the Company/Sub-Fund uses.

(c) Liquidity Risk

Liquidity risk is the risk that the Company/Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company/Sub-Fund's redeemable shares are redeemable at the shareholder's option daily for cash equal to a proportionate share of the Company/Sub-Fund's net asset value. The Company/Sub-Fund is therefore potentially exposed to daily redemptions by its shareholders.

The Company/Sub-Fund invests in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. It is also the Company/Sub-Fund's policy to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

To manage liquidity risk, where outstanding redemption requests from all holders of Shares in the Company/Sub-Fund on any Dealing Day total an aggregate of more than 10% of the Net Asset Value of the Company/Sub-Fund on such Dealing Day, the Directors shall be entitled at their discretion to refuse to redeem such number of Shares in issue in respect of the Company/Sub-Fund on that Dealing Day in respect of which redemption requests have been received in excess of 10% of the Net Asset Value of the Company/Sub-Fund as the Directors shall determine.

If the Company/Sub-Fund refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the Shares to which each request relates which are not redeemed shall be redeemed on subsequent Dealing Days, provided that the Company/Sub-Fund shall not be obliged to redeem more than 10% of the Net Asset Value of the Company/Sub-Fund outstanding on any Dealing Day, until all the Shares to which the original request related have been redeemed.

The Investment Manager monitors the Company/Sub-Fund's liquidity risk on a daily basis in accordance with the Company/Sub-Fund's investment objectives, policies and investment guidelines. The Company/Sub-Fund's overall liquidity positions are reviewed on a daily basis by the Manager.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

7. Financial Risk Management (continued)

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

The Company/Sub-Fund employs an advanced risk management methodology which monitors global exposure using a risk management process which, in compliance with the UCITS Regulations and the Central Bank UCITS Regulations, aims to ensure that on any day the absolute Value at Risk (VaR) of the Company/Sub-Fund will be no greater than 20% of the Net Asset Value of the Company/Sub-Fund over a period of 20 days or that the relative VaR of the Company/Sub-Fund will not exceed twice the Value at Risk of the relevant Reference Assets, as appropriate. The daily VaR will be calculated using 99% confidence level, and the historical observation period will not be less than one year unless a shorter period is justified.

(i) Global exposure and leverage

Global exposure is measured using the VaR approach which considers the full constituents of the portfolio.

The use of derivative instruments may expose the Company/Sub-Fund to a higher degree of risk, in particular derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard equities. Leveraged derivative positions can therefore increase volatility of the Company/Sub-Fund.

In order to calculate the leverage level inherent in each Strategy Index, the gross exposure is divided by the total value of the Strategy Index as outlined in the Company/Sub-Fund's risk management program.

(ii) Price Risk

Price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company/Sub-Fund is exposed to price risk arising from its investments in debt securities and derivatives.

The overall price risk exposure at 30 June 2019 is set out in the Schedule of Investments on pages 31-32.

While pricing information is generally available for most of the financial instruments in which the Company/Sub-Fund invests, some pricing inputs may not always be available for over-the-counter instruments. Such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Directors or a competent person appointed by the Directors and approved for the purpose by the Depositary, however, there can be no assurance that the value of an asset owned by the Company/Sub-Fund will be realised upon its disposition.

The Investment Manager manages the Company/Sub-Funds's market price risk on a daily basis in accordance with the Company/Sub-Fund's investment objectives, policies and investment guidelines. The Company/Sub-Fund's overall market positions are monitored on a daily basis by the Manager.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company/Sub-Fund's interest bearing financial assets and liabilities expose it to risk associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

As at 30 June 2019, the Sub-Fund of the Company holds debt securities and derivatives which are affected by movements in interest rates and maturities.

The Manager reviews exposure to underlying rate movements on a weekly basis.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

7. Financial Risk Management (continued)

(d) Market Risk (continued)

(iv) Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company/Sub-Fund may invest in financial instruments denominated in currencies other than the base currency or in financial instruments which are determined with references to currencies other than the base currency.

The Company/Sub-Fund, however, will invest a portion of its assets in financial instruments denominated in EUR or in financial instruments which are determined with references to EUR. To the extent the base currency is a denomination other than the denomination of the financial instruments owned by the Company/Sub-Fund and no hedge is utilised, the value of the Company/Sub-Fund's net assets will fluctuate based on fluctuations of the exchange rates as well as with price changes of their investments in the various local markets and currencies.

An increase in the value of the EUR compared to the other currencies in which the Company/Sub-Fund may make investments will reduce the effect of increases and magnify the EUR equivalent of the effect of decreases in the prices of the Company/Sub-Fund's financial instruments in their local markets. Conversely, a decrease in the value of the EUR will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Company/Sub-Fund's non-EUR financial instruments. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk.

(e) Fair value of financial instruments

The Company/Sub-Fund is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. In accordance with IFRS 13, the inputs have been categorised into a three-level hierarchy which gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to significant unobservable inputs (Level 3). If the inputs used to value an investment fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the investment.

The Company/Sub-Fund uses the "market approach" valuation technique to value its investments. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" may require significant judgement but can generally be considered as that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the risk of that instrument.

The three levels of the fair value hierarchy are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company/Sub-Fund has the ability to access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as a price) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) and which are significant to the valuation.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

7. Financial Risk Management (continued)

(e) Fair value of financial instruments (continued)

Investments typically classified within level 1 include active listed equities, exchange traded derivatives and certain Government bonds. Investments typically classified within level 2 include investments in corporate bonds, certain Government bonds, certain listed equities and over the counter derivatives. Investment funds are also considered level 2 investments if there is evidence that redemptions occurred during the period and there were no restrictions preventing redemptions at the period end. As level 2 investments include positions that are not traded in active markets and/ or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability. Such adjustments are generally based on available market information. Investments typically classified within level 3 include certain corporate bonds, private equities and investment funds that have suspended redemptions, created side pocket classes or imposed gates. Within level 3, the use of the market approach generally consists of using comparable market transactions.

The table below summarises the Company/Sub-Fund's classification of investments, into the above hierarchy levels as of 30 June 2019:

Lyxor Epsilon Global Trend Fund

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - held for trading:				
Treasury bills	232,241,818	-	-	232,241,818
Private bonds	-	-	44,643,226	44,643,226
<i>Derivative Assets</i>				
Futures contracts	8,916,422	-	-	8,916,422
Forward foreign exchange contracts	-	2,924	-	2,924
	241,158,240	2,924	44,643,226	285,804,390
Financial liabilities at fair value through profit or loss:				
<i>Derivative liabilities</i>				
Futures contracts	(2,175,195)	-	-	(2,175,195)
Forward foreign exchange contracts	-	(1,274,759)	-	(1,274,759)
	(2,175,195)	(1,274,759)	-	(3,449,954)

There were no transfers between the levels for the period ended 30 June 2019.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

7. Financial Risk Management (continued)

(e) Fair value of financial instruments (continued)

The table below summarises the Company/Sub-Fund's classification of investments, into the above hierarchy levels as of 31 December 2018:

Lyxor Epsilon Global Trend Fund

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - held for trading:				
Treasury bills	245,193,750	-	-	245,193,750
Private bonds	-	-	50,008,000	50,008,000
<i>Derivative Assets</i>				
Futures contracts	1,687,431	-	-	1,687,431
Forward foreign exchange contracts	-	274,172	-	274,172
	246,881,181	274,172	50,008,000	297,163,353
Financial liabilities at fair value through profit or loss:				
<i>Derivative liabilities</i>				
Futures contracts	(4,302,169)	-	-	(4,302,169)
Forward foreign exchange contracts	-	(398)	-	(398)
	(4,302,169)	(398)	-	(4,302,567)

There were no transfers between the levels for the year ended 31 December 2018.

The table presented below summarises the change in the Statement of Net Assets carrying value associated with level 3 assets during the period ended 30 June 2019 and the year ended 31 December 2018.

	30 June 2019	30 June 2018
	Private Bonds	Private Bonds
	EUR	EUR
Level 3		
Beginning balance as at 1 January	50,008,000	28,134,060
Sales	(36,130,538)	-
Realised gain	5,080,422	-
Change in unrealised gain	25,685,341	4,192,026
Ending balance as at 31 December	44,643,226	32,326,086

The Level 3 investments are Private Bonds issued by and held with Société Générale. The fair value of these investments are not based on observable market data.

8. Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year beginning with the acquisition of such shares.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

8. Taxation (continued)

No Irish tax will arise on the Company in respect of chargeable events in respect of certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations; and a shareholder who is neither Irish resident nor Irish ordinarily resident for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

9. Related Party Transactions

IAS 24 - Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Directors and dependents thereof are considered related parties.

Mr. Peter Madden has been the General Manager and a director of Inora Life Limited, a fully owned subsidiary of Société Générale S.A. since August 2000.

Mr. Moez Bousarsar who was appointed as a Director of the Company on 9 July 2018, is Sales in charge of the Middle East region for Lyxor Asset Management S.A.S.

Connected Person Transactions

The board of directors are satisfied that: (i) there are adequate arrangements in place evidenced by written procedures, to ensure that the obligations set out in Regulation 41 (1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons; and (ii) transactions with connected persons entered into during the period complied with the obligations set out in that paragraph.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

10. Net Asset Value Comparison

Lyxor Epsilon Global Trend Fund			
EUR Class A	30 June 2019	31 December 2018	30 June 2018
Net Asset Value	EUR 11,825,687	EUR 18,118,352	EUR 21,198,545
Shares in Issue	81,163	140,749	149,985
Net Asset Value per share	EUR 145.70	EUR 128.73	EUR 141.34
USD Class A	30 June 2019	31 December 2018	30 June 2018
Net Asset Value	USD 0	USD 303,867	USD 433,718
Shares in Issue	0	3,000	3,961
Net Asset Value per share	USD 0.00	USD 101.29	USD 109.50
CHF Class I	30 June 2019	31 December 2018	30 June 2018
Net Asset Value	CHF 11,176	CHF 732	CHF 103,744
Shares in Issue	109	8	985
Net Asset Value per share	CHF 102.53	CHF 91.50	CHF 105.27
EUR Class I	30 June 2019	31 December 2018	30 June 2018
Net Asset Value	EUR 199,425,317	EUR 210,585,560	EUR 272,382,025
Shares in Issue	1,509,745	1,807,625	2,137,613
Net Asset Value per share	EUR 132.09	EUR 116.50	EUR 127.42
GBP Class I	30 June 2019	31 December 2018	30 June 2018
Net Asset Value	GBP 56,019,836	GBP 48,855,980	GBP 2,126,086
Shares in Issue	423,880	420,944	16,835
Net Asset Value per share	GBP 132.16	GBP 116.06	GBP 126.29
USD Class I	30 June 2019	31 December 2018	30 June 2018
Net Asset Value	USD 61,078,637	USD 50,993,159	USD 18,252,317
Shares in Issue	435,616	416,717	138,150
Net Asset Value per share	USD 140.21	USD 122.37	USD 132.12

11. Efficient Portfolio Management

To the extent permitted by the investment objectives and policies of the Company and subject to the limits set down by the Central Bank of Ireland from time to time and to the provisions of the Prospectus, utilisation of financial derivative instruments and investment techniques shall be employed for efficient portfolio management purposes by all the Sub-Funds. The Sub-Funds may use these financial derivative instruments and investment techniques to hedge against changes in interest rates, non-functional currency exchange rates or securities prices or as part of their overall investment strategies.

During the period the Company entered into forward foreign exchange contracts for currency hedging purposes. The counterparty in respect of the forward foreign exchange contracts is Société Générale. Forward foreign exchange contracts outstanding at 30 June 2019 are disclosed in note 6. The counterparty in respect of the futures is Société Générale Newedge – UK Limited. Future contracts outstanding at 30 June 2019 are disclosed in note 6. Realised gains and losses on financial instruments used for efficient portfolio management purposes are disclosed in note 4. Excluding futures contracts, transaction costs are embedded in the cost of the investments and therefore cannot be separately disclosed.

12. Significant events during the period

There were no significant events during the period.

LYXOR INVESTMENT STRATEGIES PLC
Notes to the Financial Statements (continued)

13. Soft Commissions

There were no soft commission arrangements entered into during the period.

14. Significant events since the period end

Updated prospectus and supplement, along with an IMA, were noted by the Central Bank on 8 July 2019 to primarily reflect the appointment of LIAM in relation to cash management services.

Addendum to the prospectus and supplement were noted by the Central Bank on 19 July 2019 relating to updates to the administrative expenses fee.

There have been no other significant events since the period end.

15. Approval of the Financial Statements

The financial statements were approved by the Board of Directors on 22 August 2019.

LYXOR INVESTMENT STRATEGIES PLC
Schedule of Investments

Lyxor Epsilon Global Trend Fund
As at 30 June 2019

Quantity	Description	Fair Value EUR	As a % of the Net Assets
	Transferable Securities		
	Treasury Bills		
	Belgium		
34,000,000	BELG TREA BILL ZCP 11-07-19	34,004,828	10.38%
		<u>34,004,828</u>	<u>10.38%</u>
	France		
34,000,000	REPUBLIQUE FRANCAISE ZCP 040919	34,040,290	10.39%
40,000,000	FRENCH REP ZCP 09-10-19	40,063,000	12.23%
40,000,000	FRANCE TREASURY BILL ZCP 170719	40,009,400	12.22%
35,000,000	FRANCE TREASURY BILL ZCP 140819	35,022,925	10.69%
36,000,000	FRAN TREA BILL BTF ZCP 06-11-19	36,078,300	11.02%
		<u>185,213,915</u>	<u>56.55%</u>
	Germany		
13,000,000	ALLEMAGNE ZCP 16-10-19	13,023,075	3.98%
		<u>13,023,075</u>	<u>3.98%</u>
	Total Investment in Treasury Bills	<u>232,241,818</u>	<u>70.91%</u>

LYXOR INVESTMENT STRATEGIES PLC
Schedule of Investments (continued)

Lyxor Epsilon Global Trend Fund
As at 30 June 2019 (continued)

Quantity	Description	Fair Value EUR	As a % of the Net Assets
Private Bonds			
Private Bonds			
17,981,000	SG ISSUER * 0.00 17-22 14/02U	22,321,613	6.82%
17,981,000	SOCIETE GENERALE * 0.00 17-22 14/02U	22,321,613	6.81%
		<u>44,643,226</u>	<u>13.63%</u>
Total Investment in Private Bonds		<u>44,643,226</u>	<u>13.63%</u>
	Unrealised gain on futures contracts (note 6)	8,916,422	2.72%
	Unrealised gain on forward foreign exchange contracts (note 6)	2,924	0.00%
Financial Assets at fair value through profit or loss		<u>285,804,390</u>	<u>87.26%</u>
	Unrealised loss on futures contracts (note 6)	(2,175,195)	(0.66%)
	Unrealised loss on forward foreign contracts (note 6)	(1,274,759)	(0.39%)
Financial Liabilities at fair value through profit or loss		<u>(3,449,954)</u>	<u>(1.05%)</u>
	Other assets in excess of other liabilities	45,146,830	13.79%
Net Assets attributable to redeemable participating shareholders		<u><u>327,501,266</u></u>	<u><u>100.00%</u></u>
Analysis of Total Assets			
Assets			% of Total Assets
Cash and cash equivalents and margin cash balance			16.27%
Transferable securities admitted to an official stock exchange listing/traded as a regulated market			80.56%
Financial derivative instruments			2.60%
Other assets			0.57%
			<u><u>100.00%</u></u>

*Held with Société Générale – related party investments.

LYXOR INVESTMENT STRATEGIES PLC
Statement of Changes in Composition of Portfolio (unaudited)

Lyxor Epsilon Global Trend Fund
For the period ended 30 June 2019

<u>All Purchases</u>	<u>Security</u>	<u>Cost</u> <u>EUR</u>
1	FRANCE TREASURY BILL	105,256,524
2	FRENCH REP ZCP 09-10	40,155,442
3	FRAN TREA BILL BTF Z	36,087,444
4	BELGIUM TREAS BILL Z	35,065,490
5	REPUBLIQUE FRANCAISE	34,042,656
6	BELG TREA BILL ZCP 1	34,035,439
7	FRENCH REP ZCP 19-06	33,571,782
8	ALLEMAGNE ZCP 16-10-	13,034,770
<u>All Sales</u>	<u>Security</u>	<u>Proceeds</u> <u>EUR</u>
1	FRANCE TREASURY BILL	110,000,000
2	REPUBLIQUE FRANCAISE	55,000,000
3	KINGDOM OF BELGIUM Z	35,000,000
4	BELGIUM TREAS BILL Z	35,000,000
5	FRENCH REP ZCP 19-06	33,500,000
6	BELG TREA BILL ZCP 0	30,000,000
7	FRENCH REP ZCP 27-03	25,004,560
8	SG ISSUER	18,065,268
9	SOCIETE GENERALE	18,065,268
10	FRENCH REP ZCP 10-04	10,003,887
11	GERM TREA BILL ZCP 1	10,000,000

Per the UCITS regulations, the Company is required to disclose aggregate purchases of a security exceeding 1% of the total value of purchases for the period and aggregate disposals greater than 1% of the total value of sales. At a minimum the largest 20 purchases and largest 20 sales must be given.

LYXOR INVESTMENT STRATEGIES PLC**Total Expense Ratio (unaudited)**

Share Class	Total Rate	Management Fees	Global Administration Fees	Other Administration Fees	Investment Advisory Fees	Performance Fees
EUR Class A	2.44%	1.75%	0.12%	0.01%	0.00%	0.56%
USD Class A	1.88%	1.75%	0.12%	0.01%	0.00%	0.00%
CHF Class I	4.51%	1.00%	0.12%	0.01%	0.00%	3.38%
EUR Class I	2.04%	1.00%	0.12%	0.01%	0.00%	0.91%
GBP Class I	2.20%	1.00%	0.12%	0.01%	0.00%	1.07%
USD Class I	2.49%	1.00%	0.12%	0.01%	0.00%	1.36%

LYXOR INVESTMENT STRATEGIES PLC
SFT Regulation (unaudited)

EU Securities Financing Transactions Regulation (“SFTR”)
For period ended 30 June 2019

The Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on Transparency of Securities Financing Transactions and of Reuse (the « SFTR ») entered into force on January 12, 2016 aiming to improve transparency in securities and commodities lending, repurchase transactions, margin loans and certain collateral arrangements. Derivative contracts as defined by EMIR are considered out of scope.

As the Lyxor Epsilon Global Trend Fund does not have exposure to any of the above mentioned securities or lending activity, no further disclosure is required in these Financial Statements.