

15 November 2011

Dear Unitholders,

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE

Proposed Termination of the Adequity Trust: Lyxor Oracle STARS Fund (the "Fund")

Unless otherwise defined in this notice, terms and expressions used in this notice shall have the same meanings ascribed to them under the Explanatory Memorandum and the Fund Specific Memorandum of the Fund both dated 25 June 2011.

We would like to inform you that we, as the Manager of the Fund, have decided to terminate the Fund on and with effect from 15 December 2011 (the "**Termination Date**").

1. Reason for the termination

Pursuant to Clause 27.3(c) of the Trust Deed (as amended) and the Notice of Establishment dated 2 February 2007, the Fund may be terminated, amongst other things, in the event the Net Asset Value of the Fund falls below US\$5million, further to a proposal by the Manager. As of 2 November 2011, the Net Asset Value of the Fund was US\$3,118,906.57. As the assets of the Fund are below the threshold which we consider as sufficient to ensure a diversified and cost-efficient management of investors' investment proceeds in the Fund under the current market conditions, we have decided, and hereby notify all Unitholders of our aforesaid decision, to terminate the Fund on and with effect from the Termination Date. In accordance with the Trust Deed, no Extraordinary Resolution of Unitholders in the Fund shall be passed to authorize the termination of the Fund. Hence, the notice period till the effective date of termination of the Fund shall commence from the date hereof to 15 December 2011 (i.e., the Termination Date) (both days inclusive).

2. Arrangements pending and upon termination

The Fund's total expense ratio is 1.80% per annum of the Net Asset Value of the Fund, which represents the Fund's management fee as well as Trustee's Fees, Hong Kong Representative's Fees, Auditors' Fees, Custodian's Fees, Guarantor's Fees and Registrar's Agent Fees (if any). The termination expenses will be borne and paid by the Manager, and the Fund has no unamortized preliminary expenses.

No further Units have been issued in respect of applications for Units received by us since 13 October 2011.

However, we will continue to process any application for redemption received by us before the Dealing Deadline, being 4:00 p.m. (Hong Kong time) on any Friday of each week (or if any such day is not a Hong Kong Business Day the following Hong Kong Business Day) prior to 15 December 2011. Unitholders may realize, free of charge, before 4:00 p.m. (Hong Kong time) on any of the aforesaid Fridays falling prior to the Termination Date, the last of which shall be on 9 December 2011 (the "**Last Dealing Deadline**"). To ensure that your redemption request(s) will be processed, you must submit your request(s) to us (via your distributor(s)) by no later than the Last Dealing Deadline. Unitholders should note that, before placing your redemption orders, please check with your distributor for the distributor's internal dealing cut-off time which may be earlier than the Fund's Dealing Deadline.

Unitholders who choose to realise their Units before the Termination Date will have their Units realised at the then prevailing Realisation Price per Unit on the relevant Valuation Day (calculated by reference to the applicable Net Asset Value per Unit). However, Unitholders who choose to realise their Units before the upcoming Cash Payout Date (i.e. 21 November 2011) will not be entitled to receive the quarterly Cash Payout (if any).

Unitholders who remain in the Fund after the Termination Date of the Fund will receive their pro-rata entitlement to the proceeds of the Fund after the completion of the termination of the Fund.

As at the date of this notice, there are no sub-funds under the Adequity Trust authorised by the SFC available for conversion.

3. Tax implication to Hong Kong investors

The Fund is not expected to be subject to Hong Kong tax in respect of any of its authorised activities. No tax will be payable by Unitholders in Hong Kong in respect of dividends or other income distributions of the Fund or in respect of any capital gains arising on a sale, realisation or other disposal of Units, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong. However, investors are recommended to consult their professional advisers on the consequences to them arising from the termination of the Fund.

4. Documents available for inspection

Copies of the Trust Deed, the Supplemental Trust Deeds, the Guarantee documentation (if applicable), the Custodian Agreement, the Deed of Novation, the Hong Kong Representative Agreement, the Registrar's Agent Agreement (in the event a Registrar's Agent has been appointed), the Supplemental Deed and the Notice of Establishment of the Fund and the risk management and control policy employed by the Manager are available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Hong Kong Representative (i.e., SG Securities (HK) Limited, the registered office of which is situated at Level 38, Three Pacific Place, 1 Queen's Road East, Hong Kong).

Should you have any question on the above information, please contact your distributing bank or contact the Hong Kong Representative of the Fund, SG Securities (HK) Limited at Level 38, Three Pacific Place, 1 Queen's Road East, Hong Kong or at (852) 2166 4266.

Lyxor Asset Management

This notice does not constitute any part of the Fund's offering documents. The Manager of the Fund, Lyxor Asset Management, accepts full responsibility for the accuracy of the contents of this notice and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.