

Dear Unitholders,

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

**Withdrawal of authorization of the Adequity Trust: Lyxor Dynamic Water 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 dated November 2009 and the amendments thereto dated 15 July 2016 (the “**Offering Documents**”).

We, Lyxor Asset Management, as the manager of the Fund (the “**Manager**”) wishes to notify you of the withdrawal of SFC authorization of the Fund with effect from the 16 January 2017 (the “**Effective Date**”).

**1. Reasons for Withdrawal**

The Manager has decided to seek withdrawal of authorization of the Fund in Hong Kong from the Securities and Futures Commission (the “**SFC**”) from the Effective Date. After business considerations and in view that the Fund has not been marketed to the public in Hong Kong since 25 June 2011, the Manager has decided to withdraw the Fund’s authorization with the SFC.

The Fund size at 30 August 2016 was US\$10,966,798.

**2. Consequences of Withdrawal of SFC Authorization of the Fund**

From 25 June 2011, the Fund has not been marketed to the public in Hong Kong and has not accepted subscription for Units from new Hong Kong investors regardless of the distribution or subscription channels used. The Fund will continue to be closed to subscription for Units from the public in Hong Kong.

Upon withdrawal of authorization of the Fund by the SFC, it will cease to be regulated by the SFC and will no longer be subject to the regulatory requirements in relation to authorized funds in Hong Kong. Consequently, from the Effective Date, the Fund will no longer be allowed for public distribution in Hong Kong.

However, the Fund will continue to remain in existence and the Manager will continue to manage the Fund in accordance with its constitutive documents and the Offering Documents despite the withdrawal of authorization from the SFC. The Fund will continue to be regulated by the Cayman Islands Monetary Authority.

In addition, with effect from the date of this notice, any product documentation specific to the Fund (such as the Offering Documents, fact sheet(s) and marketing material(s)) that are currently in your possession are for your personal use only and not for public circulation.

It is considered that the withdrawal of SFC authorization will not negatively impact the Unitholders. Notwithstanding the above, the Manager does not foresee that there will be any adverse tax consequence for the Fund and the investors as holders of the Units as a result of the withdrawal of authorization. However, investors are recommended to consult their professional advisers on the consequences to them arising from the withdrawal of SFC authorization of the Fund. Unitholders who decide to remain in the Fund after the Effective Date should also inform themselves of, and where appropriate take advice on, the tax consequences of the foregoing in their country of citizenship, residence or domicile.

With effect from the Effective Date, Unitholders should also note that they may not be able to access or receive all information relating to the Fund that they currently are able to access or are currently receiving, including but not limited to marketing material(s) and fact sheet(s) (as currently available at [www.lyxor.com.hk](http://www.lyxor.com.hk)\*) and unit prices for the Fund as published in newspapers and the website [www.lyxor.com.hk](http://www.lyxor.com.hk)\*. However, Unitholders will continue to receive unitholder mailings should they continue to hold Units of the Fund. Hong Kong Unitholders can continue to direct their queries and requests to their distributing bank or the Hong Kong representative, SG Securities (HK) Limited at Level 38, Three Pacific Place, 1 Queen's Road East, Hong Kong or at (852) 2166 4266 after the Effective Date. Other than as stated above, there is no material change in the administrative arrangement of the Fund.

The costs relating to the withdrawal of authorization are estimated to be approximately HK\$10,000 and will be borne by the Manager.

For Unitholders of the Macao Special Administrative Region ("**Macao SAR**"), please note that we will also apply to withdraw the registration of the Fund from the Monetary Authority of Macao ("**AMCM**") on the Effective Date. Upon withdrawal of the authorization from the AMCM, the marketing of the Fund to the public of the Macao SAR is no longer allowed.

### **3. Options for Unitholders**

From the date of this notice, Unitholders may choose to (a) take no action and continue to hold the Units of the Fund; or (b) submit any application for realisation, free of charge, which is received by us before the Dealing Deadline, being 4:00 p.m. (Hong Kong time) on Friday of each week or if any such day is not a Hong Kong Business Day the following Hong Kong Business Day, prior to the Effective Date. The last Dealing Deadline before the Effective Date will be 4:00 p.m. (Hong Kong time) on 13 January 2017 (the "**Last Dealing Deadline**"). To ensure that your 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 your distributor may impose an internal dealing cut-off time which may be earlier than the Fund's Dealing Deadline.

### **4. Enquiries**

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.

**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.**

**Lyxor Asset Management**

14 October 2016

\*This website has not been reviewed by the Securities and Futures Commission of Hong Kong.