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If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The Directors of the Company, whose names appear under the heading “Management and Administration” are the persons responsible for the information contained in this Prospectus and accept responsibility accordingly. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information.

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## **Lazard Global Investment Funds Public Limited Company**

*(An open-ended investment company with variable capital  
structured as an umbrella fund with segregated  
liability between Funds incorporated  
with limited liability in Ireland under  
registration number 467074)*

### **PROSPECTUS**

#### **MANAGER**

**Lazard Fund Managers (Ireland) Limited**

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This Prospectus replaces the prospectus dated 17 February 2017.

The date of this Prospectus is 18 December 2017.

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## IMPORTANT INFORMATION

This Prospectus comprises information relating to Lazard Global Investment Funds Public Limited Company (the “Company”), an open-ended investment company with variable capital and with segregated liability between its sub-funds organised under the laws of Ireland. It qualifies and is authorised in Ireland by the Central Bank of Ireland (the “Central Bank”) as a UCITS for the purposes of the Regulations. The Company is structured as an umbrella fund in that the share capital of the Company may be divided into different classes of Shares with one or more classes representing a separate sub-fund (each, a “Fund”) of the Company. The creation of further Funds and/or Share classes, in addition to those which exist as of the date of this Prospectus will be effected in accordance with Central Bank Requirements and will be subject to the Central Bank’s prior approval.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. If there are different classes of Shares constituting a Fund, details relating to the separate classes may be dealt with in a single Supplement or in separate Supplements for each class. This Prospectus and the relevant Supplement should be read and constituted as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the latest published audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report. These reports will form part of this Prospectus.

**The Company is both authorised and supervised by the Central Bank. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus. The authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland, which may be subject to change.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus, any Supplement and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus or the relevant Supplement.

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, citizenship, residence, ordinary residence or domicile for the acquisition of Shares;
- (b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and
- (c) the income tax and other taxation consequences which might be relevant to the acquisition, holding, redemption, conversion or disposal of Shares.

The Company is a “recognised scheme” for the purposes of Section 264 of the Financial Services and Markets Act 2000 (the “FSMA”) of the United Kingdom and can be promoted and sold direct to the public in the United Kingdom subject to compliance with the FSMA and applicable regulations made thereunder. Subject as aforesaid, the Company is open for investment by any resident of the United Kingdom.

Potential investors in the United Kingdom should be aware that none of the protections afforded by the United Kingdom regulatory system will apply to an investment in the Company and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

Certain of the Funds have been registered in Austria, Belgium, France, Germany, Italy, Luxembourg, The Netherlands, Singapore, Spain, Switzerland and the United Kingdom. It is intended that application will be made in other jurisdictions to enable the Shares of the Company to be marketed in those jurisdictions. In the event that such registrations take place the Company may appoint or be required to appoint paying agents (who may be required to maintain accounts through which subscription/redemption monies may be paid), representatives, distributors or other agents in the relevant jurisdictions. The fees and expenses of any such agent will be charged at normal commercial rates and discharged out of the assets of the Company.

The Shares have not been, and will not be, registered under the 1933 Act (see "Definitions") or the securities laws of any of the states of the United States and the Shares may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person(see "Definitions"), except pursuant to an exemption from, or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law. The Shares have not been approved or disapproved by the SEC (see "Definitions") or any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this Prospectus (or any applicable Supplement). Any representation to the contrary is unlawful. In the absence of such exemption or transaction, each applicant for Shares will be required to certify that it is not a US Person or making its investment decision from within the United States.

The Shares of one or more classes of one or more Funds may from time to time, with the consent of the Directors, be offered to, and be purchased by, Qualified US Persons. Any such offer and sale will be made only pursuant to a Supplement specifically for that purpose. This Prospectus by itself, without any such Supplement, does not constitute an offer to sell or a solicitation of an offer to buy Shares to any US Person or any other person making an investment decision in the United States.

Where the Company becomes aware that any Shares are directly or beneficially owned by any person in breach of the above restrictions, the Company may direct the Shareholder to transfer his Shares to a person qualified to own such Shares or to request the Company to redeem Shares, in default of which, the Shareholder shall, on the expiration of 30 days from the giving of such notice, be deemed to have given a request in writing for the redemption of the Shares.

This Prospectus, any Supplement and any KIID may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus/Supplement/KIID. To the extent that there is any inconsistency between the English language Prospectus/Supplement/KIID and the Prospectus/Supplement/KIID in another language, the English language Prospectus/Supplement/KIID will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus/supplement/ key investor information document in a language other than English, the language of a prospectus/supplement/ key investor information document on which such action is based shall prevail.

All disputes as to the terms of this Prospectus, any Supplement and any KIID regardless of the language in which they are translated, shall be governed by and construed in accordance with the laws of Ireland.

The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. The difference at any one time between the price at which Shares are subscribed for and the price at which Shares are redeemed means that any investment should be viewed as medium to long term.

An investment in the Company should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors. Investors should read and consider the risk discussion under “Risk Factors” before investing in the Company.

The Directors may in their absolute discretion charge a redemption fee of up to 2% of the Net Asset Value of any Shares that are to be redeemed in respect of any class of Shares in the Fund. This fee may only be charged if the Directors in their absolute discretion believe that any Shareholder is engaged in short term trading in a manner which is considered inappropriate and/or not in the best interests of the Shareholders or if the Directors in their absolute discretion believe that any Shareholder seeking redemption is attempting any form of arbitrage on the yield of the Shares.

This Prospectus, the applicable Supplement(s) and any relevant KIID(s) should be read in their entirety before making an application for Shares.

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## DEFINITIONS

**“Act”**, the Companies Act 2014, as same may be amended from time to time.

**“Administration Agreement”**, the administration agreement dated 22 October 2010, between the Company, the Manager and the Administrator, as amended by supplemental administration agreement dated 7 December 2010 and second supplemental administration agreement dated 26 September 2016, as same may be amended from time to time.

**“Administrator”**, State Street Fund Services (Ireland) Limited and/or such other person as may be appointed, in accordance with Central Bank Requirements, to provide administration services to the Company.

**“AIF”**, Alternative Investment Fund.

**“Application Form”**, such application form for Shares as is prescribed by the Directors in relation to a Fund.

**“Articles”**, the Articles of Association of the Company, as amended from time to time.

**“Auditors”**, PricewaterhouseCoopers, Chartered Accountants, Dublin.

**“Australian Dollars” and “AUS\$”**, the lawful currency of Australia.

**“Business Day”**, in relation to a Fund, such day or days as the Directors may from time to time determine with approval of the Administrator (see relevant Supplement).

**“Central Bank”**, the Central Bank of Ireland, or any successor thereof.

**“Central Bank Requirements”**, the requirements of the Central Bank pursuant to the Regulations, the Central Bank UCITS Regulations and any guidance applicable to UCITS as may be issued by the Central Bank from time to time.

**“Central Bank UCITS Regulations”**, the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as same may be amended, supplemented or replaced from time to time.

**“Company”**, Lazard Global Investment Funds Public Limited Company.

**“Constitution”**, the Memorandum and Articles of Association of the Company.

**“Currency Management Agreement”**, the currency management agreement dated 7 December 2010, between the Company, Lazard Asset Management LLC and the Currency Manager, as same may be amended from time to time.

**“Currency Manager”**, State Street Bank Europe Limited and/or such other person as may be appointed, in accordance with Central Bank Requirements, to act as currency manager to the Company.

**“Dealing Day”**, such Business Day as the Directors may from time to time determine (with the approval of the Depositary) for dealings in a Fund, provided always that there shall be at least one Dealing Day in every fortnight (see relevant Supplement).

**“Depositary”**, State Street Custodial Services (Ireland) Limited or such other person as may be appointed, with the prior approval of the Central Bank, to act as depositary to the Company.

**“Depositary Agreement”**, the depositary agreement dated 20 May 2016, between the Company and the Depositary, as same may be amended from time to time.

**“Directive”**, Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as applicable and as may be amended and supplemented from time to time.

**“Directors”**, the directors of the Company or any duly authorised committee thereof.

**“Distributor”**, Lazard Asset Management (Deutschland) GmbH, Lazard Asset Management Limited, Lazard Asset Management Schweiz AG, Lazard Asset Management Securities LLC, Lazard Asset Management (Singapore) Pte. Ltd., Lazard Frères Gestion, Lazard Asset Management (Hong Kong) Limited, the Manager, through its branches in Spain and Belgium, and/or such other person(s) as may be appointed in accordance with Central Bank Requirements to act as a distributor to the Company.

**“Duties and Charges”**, in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Shares or the purchase or sale of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which may include, when calculating the Share Price, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the price at which such assets were bought as a result of a subscription and sold as a result of a redemption), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund.

**“EEA”**, the European Economic Area.

**“EU”**, the European Union.

**“Euro”, “EUR” and “€”**, the single European currency unit referred to in Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro.

**“FCA”**, the Financial Conduct Authority of the United Kingdom.

**“FDI”**, financial derivative instrument(s).

**“Fund”**, a fund of assets established (with the prior approval of the Central Bank) for one or more classes of Shares which is invested in accordance with the investment objective applicable to such fund.

**“Fund Schedule Supplement”**, a supplement to this Prospectus containing a list of the Funds established by the Company.

**“Investment(s)”**, any investment(s) authorised by the Memorandum and which is permitted by the Regulations and the Articles.

**“Lazard US IMA”**, the investment management agreement dated 26 February 2009, between the Company, the Manager and Lazard Asset Management LLC, as amended by side letters dated 26 October 2010, 7 August 2012, 21 November 2012, 2 September 2013, 31 October 2013, 16 September 2015, 9 November 2015, 20 November 2015 and 4 December 2015, as same may be amended from time to time.

**“Lazard Deutschland IMA”**, the investment management agreement dated 18 December 2017 between the Company, the Manager and Lazard Asset Management (Deutschland) GmbH, as same may be amended from time to time.



**“Investment Manager(s)”**, Lazard Asset Management LLC and Lazard Asset Management (Deutschland) GmbH and/or such other person as may be appointed, in accordance with Central Bank Requirements, to provide investment management services to the Funds or any of them.

**“Japanese Yen”**, “**JPY**”, “**Yen**” and “**¥**”, the lawful currency of Japan.

**“KIID(s)”**, Key Investor Information Document(s).

**“Lazard Group”**, Lazard Limited and its subsidiaries.

**“Management Agreement”**, the management agreement dated 26 February 2009, between the Company and the Manager, as same may be amended from time to time.

**“Manager”**, Lazard Fund Managers (Ireland) Limited, or such other person as may be appointed, in accordance with Central Bank Requirements, to act as manager to the Company.

**“Member State”**, a member state of the European Union.

**“Memorandum”**, the Memorandum of Association of the Company, as amended from time to time.

**“Minimum Holding”**, a holding of Shares of any class having an aggregate value of such minimum amount as set out in the relevant Supplement, or as may be determined from time to time by the Directors.

**“Minimum Redemption”**, a minimum redemption (whether initial or subsequent) for Shares of any class as set out in the relevant Supplement or as may be determined from time to time by the Directors.

**“Minimum Subscription”**, a minimum subscription (whether initial or subsequent) for Shares of any class as set out in the relevant Supplement or as may be determined from time to time by the Directors.

**“Net Asset Value”**, the net asset value of a Fund or, where applicable, of a class of Shares, determined in accordance with the Articles.

**“Net Asset Value per Share”**, the Net Asset Value divided by the number of Shares of the relevant Fund subject to such adjustment, if any, as may be required where there is more than one class of Shares in the Fund.

**“Promoter and Distributor Agreement”**, the promoter and distributor agreement dated 26 February 2009, between the Company, the Manager and Lazard Asset Management Limited, as amended by side letters dated 26 October 2010 and 10 March 2016, as same may be amended from time to time.

**“Prospectus”**, this document as it may be amended from time to time in accordance with Central Bank Requirements together with, where the context requires or implies, any Supplement or addendum.

**“Qualified Holder”**, any person, corporation or entity other than (i) a US person which is not a Qualified US Person; (ii) any person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations applicable to it or who might expose the Company to adverse tax or regulatory consequences (iii) a custodian, nominee, or trustee for any person, corporation or entity described in (i) and (ii) above.

**“Qualified US Person”**, a US Person who has acquired Shares with the consent of the Directors provided that the number of Qualified US Persons shall not exceed such number as the Directors shall determine from time to time with a view to precluding the Company from being required to register as an investment company under the 1940 Act or with a view to precluding the Company from becoming subject to reporting obligations or registrations obligations under the 1934 Act.

**“Regulated Markets”**, the stock exchanges and/or regulated markets listed in Appendix I.

**“Regulations”**, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as may be amended, supplemented and/or replaced from time to time.

**“SEC”**, the United States Securities and Exchange Commission.

**“Secretary”**, Wilton Secretarial Limited and/or such other person as may be appointed to act as secretary to the Company.

**“Securities Financing Transaction”**, **“SFT”**, means **(a)** a repurchase transaction; **(b)** securities or commodities lending and securities or commodities borrowing; **(c)** a buy-sell back transaction or sell-buy back transaction; and/or **(d)** a margin lending transaction, each as defined in accordance with SFTR.

**“SFTR”**, Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No. 648/2012, as may be amended, supplemented and/or replaced from time to time.

**“Share(s)”**, a share or shares of no par value in the Company designated as a “Participating Share” or “Participating Shares” in the Articles.

**“Share Price”**, the price per Share as determined in accordance with the Articles and as set out in the relevant Supplement.

**“Shareholder”**, the registered holder of a Share.

**“Subscriber Shares”**, shares of Stg £1 each in the capital of the Company designated as “Subscriber Shares” in the Articles and issued for the purposes of incorporating the Company.

**“Supplement”**, any document issued by the Company, including the Fund Schedule Supplement, expressed to be a supplement to this Prospectus.

**“Sterling”**, **“GBP”** and **“Stg£”**, the lawful currency of the United Kingdom.

**“Swiss Franc”** and **“CHF”**, the lawful currency of Switzerland.

**“UCITS”**, an Undertaking for Collective Investment in Transferable Securities established pursuant to the Directive, as amended.

**“United Kingdom”** or **“UK”**, the United Kingdom of Great Britain and Northern Ireland.

**“United States”** and **“US”**, the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the states and the Federal District of Columbia.

**“United States Dollar”**, **“the US Dollar”**, **“US Dollars”** and **“US\$”** the lawful currency of the United States.

**“US Person”**, subject to such applicable law and to such changes as the Directors shall notify to applicants for or transferees of Shares; a national or resident of the United States, (including any corporation, partnership or other entity created or organised in, or under the laws, of the United States or any political subdivision thereof), or any estate or trust, other than an estate or trust the income of which from sources outside the United States (which is not effectively connected with the conduct of a trade or business within the United States) is not included in gross income for the purpose of computing United States federal income tax, provided, however, that the term “US Person” shall not include a branch or agency of a United States bank or insurance company that is operating outside the United States as a locally regulated branch or agency engaged in the banking or insurance business and not solely for the purpose of investing in securities under the 1933 Act.

**“Valuation Point”**, such time and day as the Directors may from time to time determine, with the approval of the Administrator, in relation to the valuation of the assets and liabilities of a Fund (see relevant Supplement).

**“1933 Act”**, the United States Securities Act of 1933, as amended.

**“1934 Act”**, the United States Securities Exchange Act of 1934, as amended.

**“1940 Act”**, the United States Investment Company Act of 1940, as amended.

## DIRECTORY

### Directors

The Directors of the Company,  
whose business address is at  
6<sup>th</sup> Floor  
2 Grand Canal Square  
Dublin 2  
D02 A342  
Ireland

are as follows:

Michael Allen  
Gavin Caldwell  
Andreas Hübner  
Daniel Morrissey  
William Smith

### Registered Office

6<sup>th</sup> Floor  
2 Grand Canal Square  
Dublin 2  
D02 A342  
Ireland

### Manager

Lazard Fund Managers (Ireland)  
Limited  
6<sup>th</sup> Floor  
2 Grand Canal Square  
Dublin 2  
D02 A342  
Ireland

### Investment Managers

Lazard Asset Management LLC  
30 Rockefeller Plaza  
New York  
NY 10112-6300  
USA

### Currency Manager

State Street Bank Europe Limited  
20 Churchill Place  
London  
E14 5HJ  
United Kingdom

Lazard Asset Management  
(Deutschland) GmbH  
Neue Mainzer Strasse 75  
60311 Frankfurt am Main  
Germany

### Depository

State Street Custodial Services  
(Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
D02 HD32  
Ireland

### Administrator, Registrar and Transfer Agent

State Street Fund Services  
(Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
D02 HD32  
Ireland

### Promoter

Lazard Asset Management Limited  
50 Stratton Street  
London  
W1J 8LL  
United Kingdom

### Distributors

Lazard Asset Management  
Limited  
50 Stratton Street  
London  
W1J 8LL  
United Kingdom

### Auditors

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
D01 X9R7  
Ireland

### Legal Advisers to the Company *as to Irish law*

William Fry  
Solicitors  
2 Grand Canal Square  
Dublin 2  
D02 A342  
Ireland

Lazard Asset Management  
(Deutschland) GmbH  
Neue Mainzer Strasse 75  
60311 Frankfurt am Main  
Germany

Lazard Asset Management  
Securities LLC  
30 Rockefeller Plaza  
New York  
NY 10112-6300  
USA

Lazard Asset Management  
Schweiz AG  
Usterstrasse 9  
Zürich  
CH-8001  
Switzerland

Lazard Frères Gestion  
25 rue de Courcelles  
75008 Paris  
France

Lazard Asset Management  
(Singapore) Pte. Ltd.  
1 Raffles Place  
#15-02, One Raffles Place  
Singapore  
048616

Lazard Asset Management  
(Hong Kong) Limited  
Level 20  
1 Harbour View Street  
Central  
Hong Kong

Lazard Fund Managers  
(Ireland) Limited, Spanish  
Branch  
Paseo De La Castellana  
140  
Piso 10  
28046 Madrid  
Spain

Lazard Fund Managers  
(Ireland) Limited, Belgian  
Branch  
Avenue Louise 326  
1050 Brussels  
Belgium

**Secretary**

Wilton Secretarial Limited  
6<sup>th</sup> Floor  
2 Grand Canal Square  
Dublin 2  
D02 A342  
Ireland

*as to English law:*

Macfarlanes LLP  
20 Cursitor Street  
London  
EC4A 1LT  
United Kingdom

# LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY

## INTRODUCTION

Lazard Global Investment Funds Public Limited Company was incorporated under the laws of Ireland on 3 February 2009 and is an open-ended investment company with variable capital. The Company has been authorised by the Central Bank as a UCITS within the meaning of the Regulations and Lazard Asset Management Limited is the current promoter of the Company.

The Company is structured as an umbrella fund in that different Funds thereof may be established with the prior approval of the Central Bank. In addition, each Fund may have more than one Share class allocated to it, details of which will be set out in the relevant Supplement. The Shares of each class allocated to a Fund will rank *pari passu* with each other in all respects except as to all or any of the following:

- currency of denomination of the class;
- dividend policy;
- the level of fees and expenses to be charged; and
- the Minimum Subscription, Minimum Holding and Minimum Redemption applicable.

The assets of each Fund are separate from one another and are invested in accordance with the investment objective and policies applicable to each such Fund.

The base currency of each Fund will be determined by the Directors and will be set out in the relevant Supplement.

A list of the Funds currently established by the Company is contained in the Fund Schedule Supplement.

On the establishment of any Fund or the creation of a new class of Shares in an existing Fund, a Supplement and relevant KIID(s) will be issued in respect thereof. In addition, details of all Funds and their Share classes will be set out in the annual and semi annual reports of the Company.

### **Investment Objective and Policy**

#### **General**

The specific investment objective and policy for each Fund will be formulated by the Directors at the time of the creation of that Fund and set out in the relevant Supplement.

The stock exchanges and markets in which any Fund may invest are set out in Appendix I. These stock exchanges and markets are listed in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations, it being noted that the Central Bank does not issue a list of approved exchanges or markets. A Fund may invest in other collective investment schemes, including other Funds of the Company. A Fund may invest in FDI for direct investment purposes only where such intention is disclosed in the Fund's investment policy.

Any alteration to the investment objective or material alteration to the investment policy of any Fund at any time will be subject to the prior approval in writing of all of the Shareholders of the relevant Fund, or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. Shareholders will be given reasonable advance notice of the implementation of any alteration to the investment objective or policy of a Fund which has been approved by Shareholders at a general meeting on the basis of a majority of votes cast so as to enable them to redeem their Shares prior to such implementation.

## **Investment in FDI Efficient Portfolio Management / Direct Investment**

The Company may, on behalf of any Fund and subject to the Regulations and conditions imposed by the Central Bank, employ techniques and instruments relating to transferable securities and money market instruments, including investment in FDI. Such techniques and instruments may be used for efficient portfolio management purposes, or for hedging purposes or for direct investment purposes, where applicable. Such techniques and instruments are set out in Appendix II and may include investments in exchange-traded or over-the-counter (“OTC”) FDI, such as futures, forwards, options, swaps, credit-default swap indices, swaptions, credit-linked notes, convertible securities and warrants. Further information in relation to the types, underlying reference assets and commercial purpose of the FDI in which a Fund may invest will be set out in the Supplement for the relevant Fund. Efficient portfolio management means instruments and investment techniques involving transactions that are entered into for one or more of the following specific aims: the reduction of risk, the reduction of cost, or the generation of additional capital or income for a Fund. New techniques and instruments may be developed which may be suitable for use by the Company and the Company may (subject to the conditions imposed the Central Bank) employ such techniques and instruments subject to the Supplement for the relevant Fund being updated and Shareholders being notified in advance. Where the Company intends to use these instruments for direct investment purposes, full details will be disclosed in the relevant Fund’s investment policy. Where a Fund intends to engage in transactions involving FDI under any circumstances, the Company shall employ a risk management process in accordance with Central Bank Requirements to enable it to monitor, measure and manage, on a continuous basis, the risk to all open derivative positions and their contribution to the overall risk profile of the Fund. Only such FDI as are provided for in the current risk management process for the Company approved by the Central Bank may be used by the Company.

### **Investment and Borrowing Restrictions**

Investment of the assets of each Fund must comply with the Regulations. A detailed statement of the general investment and borrowing restrictions applicable to all Funds is set out in Appendix III. The Directors may impose further restrictions in respect of any Fund. Details will be set out in the relevant Supplement.

The Directors may also from time to time impose such further investment restrictions as may be compatible with or be in the interests of the Shareholders in order to comply with the laws and regulations of the countries where Shareholders of the Company are located or the Shares are marketed.

The Company will not take legal or management control of any of the entities in which its underlying investments are made.

It is intended that the Company should, subject to the prior approval of the Central Bank, have power to avail itself of any change in the investment restrictions laid down in the Regulations which would permit investment by the Company in securities, derivative instruments or in any other form of investment which, as at the date of this Prospectus, is restricted or prohibited under the Regulations. The Company will give Shareholders at least two weeks’ prior written notice of its intention to avail itself of any such change which is material in nature.

### **Benchmark Indices**

The performance of a Fund may be measured against a specific index (the “Benchmark Index”).

The Directors reserve the right, if they consider it in the interests of the Company or any Fund to do so and with the consent of the Depositary, to substitute another index for the Benchmark Index if:

- (a) the particular Benchmark Index or index series ceases to exist;
- (b) a new index becomes available which supersedes the existing Benchmark Index;

- (c) a new index becomes available which is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to the Shareholders than the existing Benchmark Index;
- (d) it becomes difficult to invest in stocks comprised within the particular Benchmark Index;
- (e) the Benchmark Index provider increases its charges to a level which the Directors consider too high;
- (f) the quality (including accuracy and availability of data) of a particular Benchmark Index has, in the opinion of the Directors, deteriorated; or
- (g) a liquid futures market in which a particular Fund is investing ceases to be available.

The Directors may change the name of a Fund, particularly if its Benchmark Index is changed.

Any change in a Benchmark Index and to the name of a Fund will be notified to the Central Bank and will be noted in the annual and semi-annual reports of the relevant Fund issued after any such change takes place.

### **Dividend Policy**

The Directors are empowered to declare and pay dividends on any class of Shares in the Company.

Dividends, if declared, will only be paid out of a Fund's net investment income return (i.e. income from dividends, interest or otherwise, less that Fund's accrued expenses to be certified for the accounting period). The timing of dividend payments in respect of any Fund will be set out in the relevant Supplement. Any dividend payment that is not claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be escheated for the benefit of the relevant Fund.

Dividends payable to Shareholders of distributing classes of Shares will be reinvested immediately after such dividends are paid by subscription for further Shares, unless Shareholders specifically request that dividends be remitted to them. A Shareholder who elects to have dividends remitted in cash will be deemed to have made a similar election in respect of any further dividends due to the Shareholder until the Shareholder revokes the election. In circumstances where a Shareholder has elected to have dividends remitted in cash but the expense involved in remitting the dividend payment exceeds the amount of the dividend to be paid, the Directors may in their absolute discretion reinvest the dividend amount in the relevant Fund immediately after such dividends are paid by subscription for further Shares. Reinvestment of dividends will be made on the dividend payment date. If a Shareholder's dividends are reinvested, there is no preliminary fee payable on the reinvestment.

The Company intends to operate an equalisation account in respect of each of the Funds in order that dividends may be paid to all Shareholders in a Fund at the same rate. If Shares are acquired when the equalisation account is in operation, otherwise than at the beginning of an account period, the first distribution after acquisition will include a refund of capital, referred to as an equalisation payment, which is not subject to tax in the UK as income. The amount of the equalisation payment must be deducted from the original purchase cost of the relevant Shares in computing the allowable cost of these Shares for UK capital gains purposes.

Dividends will not be paid in respect of any class of Shares which is an accumulating class. Income and profits, if any, attributable to an accumulating Share class will be accumulated in the relevant Fund on behalf of the Shareholders of that class and will be reflected in the Net Asset Value of the relevant accumulating Share class.



## RISK FACTORS

The following risk factors do not purport to be a complete description or explanation of all risk factors which should be considered when investing in the Company. Investors should also read and consider any additional risk factors which may be set out in the relevant Supplement(s).

### 1. **Market Fluctuations**

A prospective investor should be aware that Investments are subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of Investments will occur or that the investment objective of any Fund will actually be achieved. The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. The difference at any one time between the price at which Shares are subscribed for and the price at which Shares are redeemed means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.

### 2. **Suspensions**

Prospective investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see under the heading "Temporary Suspensions" in this Prospectus).

### 3. **Taxation**

The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please see the section of this Prospectus headed "Taxation".

### 4. **Segregated Liability**

The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation.

### 5. **Payments via Intermediaries**

Potential investors who choose or are obliged under local regulations to pay or receive subscription or redemption monies via an intermediary entity (e.g. a paying agent) bear a credit risk against that intermediary entity with respect to:

- (a) subscription monies for so long as such monies are held in an account with or in the name of such intermediary entity; and
- (b) redemption monies paid by the Company to such intermediary entity and payable to the relevant investor.

### 6. **Dependence on Key Personnel**

The Company and the Funds rely on the services of the relevant Investment Manager whose performance is dependent on the services of its investment team. There can be no assurance that the relevant Investment Manager will be able to retain its current investment team. The departure or incapacity of any such individuals could have a material adverse effect on a Fund.

### 7. **Valuation Risk**

The Net Asset Value of a Fund will be calculated by the Administrator based, to the extent possible, on prices obtained from independent third-party sources including exchanges. The fair market value of those assets of a Fund for which a third-party price is not available will be valued based on other sources deemed reliable by the Directors, in consultation with the Administrator. Investors should note that there is a risk that a Shareholder who redeems their

Shares while a Fund holds particular assets may be paid an amount less or more than it would otherwise be paid if the actual value of such assets is higher or lower than the value provided to the Administrator. In addition, there is a risk that a subscription for Shares could dilute the underlying value of such assets for the other Shareholders if the actual value of such assets is higher than the value provided to the Administrator. There is also a risk that greater investment management fees and performance fees (to the extent that performance fees are payable by a Fund) may be paid by a Fund in respect of certain assets or liabilities of the Fund than would have been paid if the actual value of such assets or liabilities is lower or higher than the value determined for the purposes of calculating those fees and allocations. None of the Directors, the Investment Managers or the Administrator are under any liability (including any obligation to remit excess investment management fees or performance fees to a Fund or any of the Shareholders) if a price reasonably believed to be an accurate valuation of a particular asset of the Fund is found not to be such.

8. ***Credit Risk and Counterparty Risk***

A Fund will be exposed to the credit risk of the counterparties or the brokers and dealers and exchanges through which it deals, and with whom it places margin or collateral in respect of transactions whether it engages in exchange or off-exchange traded transactions. A Fund may be subject to risk of losses in the event of the broker's bankruptcy or fraud, the bankruptcy or fraud of any clearing broker through which the broker executes and clears transactions on behalf of a Fund, or the bankruptcy or fraud of an exchange clearing house. While measures such as receiving collateral may be taken by a Fund to reduce counterparty credit risk, there can be no assurance that a counterparty will not default resulting in losses, or the increase of costs, to the Fund.

9. ***Counterparty Risk to the Depositary and other depositaries***

The Company will be exposed to the credit risk of the Depositary or any depositary used by the Depositary where cash or other assets are held by the Depositary or other depositaries. Cash held by the Depositary and other depositaries will not be segregated in practice but will be a debt owing from the Depositary or other depositaries to the Company as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Depositary and/or other depositaries. In the event of the insolvency of the Depositary or other depositaries, the Company will be treated as a general unsecured creditor of the Depositary or other depositaries in relation to cash holdings of the Funds. The Company may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund will lose some or all of its cash. The Funds' securities are however maintained by the Depositary and sub-custodians used by the Depositary in segregated accounts and should be protected in the event of insolvency of the Depositary or sub-custodians.

10. ***Systems Risks***

The Company and the Funds depend on the relevant Investment Manager and other third party service providers to develop and implement appropriate systems for the Funds' activities. The operational infrastructure around the Company and the Funds relies extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, trading, clearing and settling transactions, evaluating certain financial instruments, monitoring its portfolio and net capital, and generating risk management and other reports that are critical to oversight of the Funds' activities. Certain of a Fund's and the Company's delegates' operations interface will be dependent upon systems operated by third parties, the Depositary, the Administrator, market counterparties and their sub-custodians and other service providers, and the relevant Investment Manager may not be in a position to verify the risk or reliability of such third-party systems. These programs or systems may be subject to certain limitations, including, but not limited to, those caused by computer viruses and power failures. All operations are highly dependent on each of these systems and the successful operation of such systems is often out of the Fund's or the relevant delegate's control. The failure of one or more systems or the inability of such systems to satisfy the Fund's growing businesses could have a material adverse effect on the Funds. For example, systems failures could cause settlement of trades to fail, lead to inaccurate

accounting, recording or processing of trades, and cause inaccurate reports, which may affect the ability of a Fund to monitor its investment portfolio and risks.

#### 11. **Emerging Markets Risk Factors**

Funds which invest directly in, or otherwise have exposure to emerging market securities may be subject to the following additional risk factors:

##### *Political and Economic Factors*

There is, in some emerging market countries, a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the value of Investments in those countries. Emerging market countries may also be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries.

The economies of many emerging market countries can be heavily dependent on international trade and accordingly have been and may continue to be adversely affected by trade barriers, managed adjustments in relative currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.

In this regard, investments in emerging countries may involve risks of restrictive currency control regulations and currency conversion rates may be artificial to actual market values. Currency exchange rates in emerging markets may fluctuate significantly over short periods of time.

##### *Counterparty Risk and Liquidity Factors*

There can be no assurance that there will be any market for any Investments acquired by a Fund or, if there is such a local market, that there will exist a secure method of delivery against payment which would, in the event of a sale or purchase by or on behalf of a Fund, avoid exposure to counterparty risk on the buyer or the seller. It is possible that, even if a market exists for such Investment, that market may be highly illiquid. Such lack of liquidity may adversely affect the value or ease of disposal of such Investments. There is a risk that counterparties may not perform their obligations and that settlement of transactions may not occur.

##### *Legal Factors*

The legislative framework in emerging market countries for the purchase and sale of investments and in relation to beneficial interests in those investments may be relatively new and untested and there can be no assurance regarding how the courts or agencies of emerging market countries will react to questions arising from a Fund's investment in such countries and arrangements contemplated in relation thereto.

There is no guarantee that any arrangements made, or agreement entered into, between the Depositary and any correspondent (i.e. an agent, sub-custodian or delegate) will be upheld by a court of any emerging market country, or that any judgement obtained by the Depositary or the Company against any such correspondent in a court of any jurisdiction will be enforced by a court of any emerging market country.

##### *Reporting and Valuation Factors*

There can be no guarantee of the accuracy of information available in emerging market countries in relation to Investments which may adversely affect the accuracy of the value of Shares in a Fund. Accounting practices are in many respects less rigorous than those applicable in more developed markets. Similarly, the amount and quality of information required for reporting by companies in emerging market countries is generally of a relatively lower degree than in more developed markets.

##### *Exchange Control and Repatriation Factors*

It may not be possible for a Fund to repatriate capital, dividends, interest and other income from emerging market countries, or it may require government consents to do so. A Fund could be

adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

#### *Settlement Factors*

There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in emerging market countries nor can there be any guarantee of the solvency of any securities system or that such securities system will properly maintain the registration of the Depositary or the Company as the holder of securities. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many emerging market countries, no guarantee can be given that all entitlements attaching to quoted and over-the-counter traded securities acquired by a Fund, including those related to dividends, can be realised.

Some emerging markets currently dictate that monies for settlement be received by a local broker a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement. This exposes the assets in question to risks arising from acts, omissions and solvency of the broker and counterparty risk for that period of time.

#### *Custody Factors*

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud or improper registration of title. The costs borne by a Fund in investing and holding Investments in such markets will generally be higher than in organised securities markets.

#### *Risks Associated with Investment in Russia*

Where a Fund invests in Russia, investors should be aware that the laws relating to securities investment and regulation in Russia have been created on an ad-hoc basis and do not tend to keep pace with market developments. This may lead to ambiguities in interpretation and inconsistent and arbitrary application of such regulation. In addition, investors should note that the process of monitoring and enforcement of applicable regulations is rudimentary.

Equity securities in Russia are dematerialised and the only legal evidence of ownership is entry of the shareholder's name on the share register of the issuer. The concept of fiduciary duty is not well established and so shareholders may suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy.

Rules regulating corporate governance either do not exist or are undeveloped and offer little protection to minority shareholders.

#### *Default Risk*

A Fund's Investments may include securities issued by corporate or other non-sovereign entities located or doing business in emerging market countries and sovereign obligations of emerging market countries. There is a risk that the issuing entity will default, or reschedule its obligation to repay the principal and interest, and the Fund may have limited recourse against the issuer.

#### *Corporate Debt Securities*

A Fund may invest in fixed income securities issued by corporate issuers, which may or may not be denominated in the local currency of the issuer. The market values of these securities are sensitive to individual corporate developments and changes in economic conditions. Emerging markets issuers may be highly leveraged and may not have more traditional methods of financing available to them. Therefore, their ability to service their debt obligations during an

economic downturn or during sustained periods of rising interest rates may be impaired, resulting in a higher risk of default.

#### *Sovereign Debt Securities*

A Fund may invest in sovereign debt securities, denominated in the local currency of the issuer. Investing in sovereign debt securities will expose the relevant Fund to the direct or indirect consequences of political, social or economic changes in the emerging market countries that issue the securities. The ability and willingness of sovereign issuers in emerging market countries or the governmental authorities that control repayment of their debt to pay principal and interest on such debt when due may depend on general economic and political conditions within the relevant country. Countries in which a Fund intends to invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations, trade difficulties and extreme poverty and unemployment. Many of these countries are also characterised by political uncertainty or instability.

As a result of the foregoing, a governmental issuer may default on its obligations. If such a default occurs, the relevant Fund may have limited legal recourse against the issuer and/or guarantor. Remedies may, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign sovereign debt securities to obtain recourse may be subject to the political climate in the relevant country.

Sovereign issuers in emerging market countries have been among the world's largest debtors to commercial banks, other governments, international financial organisations and other financial institutions. These issuers have in the past experienced substantial difficulties in servicing their external debt obligations, which have led to defaults on certain obligations and the restructuring of certain indebtedness. Holders of certain foreign sovereign debt securities may be requested to participate in the restructuring of such obligations and to extend further loans to their issuers.

## 12. ***Risks Associated with Debt and Other Fixed Income Securities***

#### *Credit Risk*

The actual or perceived reduction in the creditworthiness of debt issuers generally will have adverse effects on the values of their debt securities. Credit risk is the risk that the issuer or guarantor of a debt security or counterparty to a Fund's investments will be unable or unwilling to make timely principal and/or interest payments, or otherwise will be unable or unwilling to honour its financial obligations. A Fund may be subject to credit risk to the extent that it invests in debt securities or engages in transactions, such as securities loans or repurchase agreements, which involve a promise by a third party to honour an obligation to the Fund. Credit risk is particularly significant in the event that a Fund invests a material portion of its assets in "junk bonds" or lower-rated securities.

#### *Interest Rate Risk*

The price of a bond or a fixed income security is dependent upon interest rates. Therefore, the share price and total return of a Fund investing a significant portion of its assets in bonds or fixed income securities will vary in response to changes in interest rates. A rise in interest rates causes the value of a bond to decrease, and vice-versa. There is the possibility that the value of a Fund's investment in bonds or fixed income securities may fall because bonds or fixed income securities generally fall in value when interest rates rise. The longer the term of a bond or fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes. Changes in interest rates may have a significant effect on a Fund.

#### *Lower Rated Securities Risk*

Bonds rated below investment grade are speculative in nature, involve greater risk of default by the issuing entity and may be subject to greater market fluctuations than higher rated fixed income securities. They are usually issued by companies without long track records of sales and earnings, or by those companies with questionable credit strength. The retail secondary market for these "junk bonds" may be less liquid than that of higher rated securities and adverse conditions could make it difficult at times to sell certain securities or could result in lower prices than those used in calculating a Fund's Net Asset Value. A Fund investing in "junk bonds" may also be subject to greater credit risk because it may invest in debt securities issued

in connection with corporate restructuring by highly leveraged issuers or in debt securities not current in the payment of interest or principal or in default. "Junk Bonds" may contain redemption or call provisions. If an issuer exercises these provisions in a declining interest rate market, a Fund would have to replace the security with a lower yielding security, resulting in a decreased return. Conversely, a junk bond's value will decrease in a rising interest rate market, as will the value of the relevant Fund's assets. If the Fund experiences unexpected net redemptions, this may force it to sell its junk bonds, without regard to their investment merits, thereby decreasing the asset base upon which the Fund expenses can be spread and possibly reducing the Fund's rate of return.

#### *Asset-Backed Securities Risk*

Asset-backed securities represent interests in pools of consumer loans such as credit card receivables, automobile loans and leases, leases on equipment such as computers, and other financial instruments and are subject to certain additional risks. Rising interest rates tend to extend the duration of asset-backed securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, a Fund may exhibit additional volatility. The risk of default by borrowers is greater during periods of rising interest rates and/or unemployment rates. In addition, the principal on asset-backed securities may be prepaid at any time, which will reduce the yield and market value. When interest rates are declining, there are usually more prepayments of loans as borrowers are motivated to pay off debt and refinance at new lower rates, which will shorten the life of these securities. The reinvestment of cash received from prepayments will, therefore, usually be at a lower interest rate than the original investment, lowering a Fund's yield. Prepayments also vary based on, among other factors, general economic conditions and other demographic conditions.

If a Fund purchases asset-backed securities that are "subordinated" to other interests in the same pool of assets, that Fund, as a holder of those securities, may only receive payments after the pool's obligations to other investors have been satisfied. In addition, instability in the markets for asset-backed securities may affect the liquidity of such securities, which means that the Fund may be unable to sell such securities at an advantageous time and price. As a result, the value of such securities may decrease and the Fund may incur greater losses on the sale of such securities than under more stable market conditions. Furthermore, instability and illiquidity in the market for lower-rated asset-backed securities may affect the overall market for such securities, thereby impacting the liquidity and value of higher-rated securities.

#### *Mortgage Backed Securities Risk*

The principal on mortgage-backed securities may be prepaid at any time, which will reduce the yield and market value. If interest rates fall, the rate of prepayments tends to increase as borrowers are motivated to pay off debt and refinance at new lower rates. Rising interest rates tend to extend the duration of mortgage-backed securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, a Fund that holds mortgage-backed securities may exhibit additional volatility. This is known as extension risk. In addition, the risk of default by borrowers is greater during periods of rising interest rates and/or unemployment rates. The early retirement of particular classes or series of a collateralised mortgage obligation held by a Fund would have the same effect as the prepayment of mortgages underlying other mortgage-backed securities.

If a Fund purchases mortgage-backed securities that are "subordinated" to other interests in the same mortgage pool, that Fund, as a holder of those securities, may only receive payments after the pool's obligations to other investors have been satisfied. For example, an unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool's ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless. Certain mortgage-backed securities may include securities backed by pools of mortgage loans made to "subprime" borrowers or borrowers with blemished credit histories; the risk of defaults is generally higher in the case of mortgage pools that include such subprime mortgages. The underwriting standards for subprime loans are more flexible than the standards generally used by banks for borrowers with non-blemished credit histories with regard to the borrower's credit standing and repayment ability. Borrowers who qualify generally have impaired credit histories, which may include a record of major derogatory credit items such as outstanding judgments or prior bankruptcies. In addition, they may not have the

documentation required to qualify for a standard mortgage loan. As a result, the mortgage loans in the mortgage pool are likely to experience rates of delinquency, foreclosure, and bankruptcy that are higher, and that may be substantially higher, than those experienced by mortgage loans underwritten in a more traditional manner. In addition, changes in the values of the mortgaged properties, as well as changes in interest rates, may have a greater effect on the delinquency, foreclosure, bankruptcy, and loss experience of the mortgage loans in the mortgage pool than on mortgage loans originated in a more traditional manner. Moreover, instability in the markets for mortgage-backed securities may affect the liquidity of such securities, which means that a Fund may be unable to sell such securities at an advantageous time and price. As a result, the value of such securities may decrease and a Fund may incur greater losses on the sale of such securities than under more stable market conditions. Furthermore, instability and illiquidity in the market for lower-rated mortgage-backed securities may affect the overall market for such securities, thereby impacting the liquidity and value of higher-rated securities.

### 13. **Leverage Risk**

When a Fund borrows money or otherwise leverages its holdings, for example, where it utilises FDI, the value of an investment in that Fund will be more volatile and all other risks will tend to be compounded.

### 14. **FDI Risk Factors**

#### *General*

A Fund may use FDI subject to the limits and conditions set out in Appendix II. These derivative positions may be executed either on an organised exchange or OTC. FDI tend to have a greater volatility than the securities to which they relate and, correspondingly, they bear a greater degree of risk. The primary risks associated with the use of FDI are (i) failure to predict accurately the direction of the market movements, (ii) market risks, for example, lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of a Fund's derivatives and (iii) operational risk, for example, the risk of direct or indirect loss resulting from inadequate or failed processes, people and systems or from external events. These techniques may not always be possible or effective in enhancing returns or mitigating risk. A Fund's investment in OTC derivatives is subject to the risk of counterparty default. In addition, a Fund may have to transact with counterparties on standard terms which it may not be able to negotiate and may bear the risk of loss because a counterparty does not have the legal capacity to enter into a transaction, or because the transaction becomes unenforceable due to relevant legislation and regulation. To the extent that a Fund invests in FDI, it may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. Any use of FDI will be in accordance with Central Bank Requirements and the Company's risk management process.

#### *OTC Transaction Risk*

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transaction and that it will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. However, regardless of the measures the Company may seek to implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that a Fund will not sustain losses as a result, which may ultimately impact the performance of a Fund and potential returns to investors.

From time to time, the counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange traded instruments, forward, spot and option contracts on currencies do not provide the Investment Managers with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

#### *Forward Commitments*

A Fund may make contracts to purchase currencies for a fixed price at a future date beyond customary settlement time ("forward commitments") because new issues of securities are frequently offered to investors, such as one of the Funds, on that basis. Forward commitments involve a risk of loss if the value of the security to be purchased declines prior to the settlement date. This risk is in addition to the risk of decline in value of a Fund's other assets. Although a Fund will enter into such contracts with the intention of acquiring the securities, the Fund may dispose of a forward commitment prior to a settlement date if the Investment Managers deem it appropriate to do so. A Fund may realise short-term profits or losses upon the sale of forward commitments.

#### *Forward Trading*

Forward currency contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the dealer or counterparty being contracted with to fulfil its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which a Fund has a forward currency contract. Although all Funds seek to trade with responsible counterparties, failure by a counterparty to fulfil its contractual obligation could expose the relevant Fund to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any currency market traded by a Fund due to unusually high or low trading volumes, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the relevant Investment Manager would otherwise experience, to the possible detriment of a Fund. Market illiquidity or disruption could result in major losses to a Fund.

#### *Swap Agreements*

A Fund may enter into swap agreements and options on swap agreements ("swaptions"). These agreements can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. A Fund, for instance, may enter into swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease a Fund's exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. A Fund is not limited to any particular form of swap agreement if consistent with the Fund's investment objective.

Whether a Fund's use of swap agreements or swaptions is successful depends on the Investment Manager's ability to select appropriate transactions for the Fund. Moreover, the Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. A Fund will also bear the risk of loss



related to swap agreements, for example, for breaches of such agreements or the failure of the Fund to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect a Fund's ability to terminate existing swap transactions or to realise amounts to be received under such transactions.

#### *Unfunded Swaps*

The inability of the Investment Managers to enter into an Unfunded Swap on terms which are of commercial benefit to the Fund or the early termination of an Unfunded Swap that may already be in place could result in the Fund being unable to pursue its investment objective and/or policy which in turn, would likely lead to the suspension and/or winding up of the Fund.

Terms of an Unfunded Swap may prohibit the Investment Managers from negotiating special situation/event driven transactions with respect to certain investments where the Fund's exposure is obtained through Unfunded Swaps. Similar investment strategies managed by the Investment Managers are not subject to such restrictions and may participate in such transactions.

#### *Call Options*

A Fund may incur risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

#### *Put Options*

A Fund may incur risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

#### *Warrants*

Warrants are similar to options in that they give the holder the right but not the obligation to buy or sell stock at a set price in the future. A warrant guarantees the holder the right to buy (or sell) a specific number of shares at a specific price (the strike price) for a defined period of time. Unlike options on equity securities that are listed and trade on exchanges, warrants are usually issued by corporations through private transactions and typically trade over-the-counter. The general movement in the stock markets, prevailing and anticipated economic and general economic conditions, interest rate movements, strike level, time remaining to expiry could affect the value of a warrant. The buyer of a warrant assumes the risk of losing its entire investment in such warrant.

#### *Futures*

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The low margins normally required in futures trading permit a very high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or loss which is high in proportion to the amount of funds actually

placed as margin and may result in unquantifiable further loss exceeding any margin deposited. Futures trading in many contracts on futures exchanges (although generally not in currencies) is subject to daily price fluctuation restrictions, commonly referred to as “daily limits”, which prohibit the execution of futures trades on any given day outside a prescribed price range based on the previous day’s closing prices. Daily limits do not limit ultimate losses but may make it costly or impossible for the Investment Managers to liquidate a futures position against which the market is moving. A series of “limit moves”, in which the market price moves the “daily limit” with little or no trading taking place, could subject a Fund to major losses.

#### *Other Instruments*

A Fund may take advantage of opportunities with respect to certain other instruments that are not at the date of this Prospectus contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Fund and legally permissible. Special risks may apply to instruments that are invested in by a Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Fund.

### 15. ***Foreign Exchange Risk***

Because a Fund’s assets and liabilities may be denominated in currencies different to a Fund’s base currency, a Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency and other currencies. Changes in currency exchange rates may influence the value of a Fund’s Shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

Depending on an investor’s currency of reference, currency fluctuations between an investor’s currency of reference and the base currency of the relevant Fund may adversely affect the value of an investment in one or more Funds.

If the currency in which a security is denominated appreciates against the base currency, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A Fund may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit a Fund from benefiting from the performance of the Fund’s securities if the currency in which the securities held by the Fund are denominated rises against the Fund’s base currency. In case of a hedged class, (denominated in a currency different from the Fund’s base currency), this risk applies systematically.

### 16. ***Liquidity Risk***

Certain securities held by a Fund may be difficult (or impossible) to sell at the time and at the price the Investment Managers would like. A Fund may have to hold these securities longer than it would like and may forego other investment opportunities. There is the possibility that a Fund may lose money or be prevented from earning capital gains if it cannot sell a security at the time and price that is most beneficial to the Fund. Funds that invest in privately-placed securities, certain small company securities, high-yield bonds, mortgage-backed securities or foreign or emerging market securities, which have all experienced periods of illiquidity, are subject to liquidity risks.

### 17. ***Convertible Securities Risk***

Convertible securities include corporate bonds, notes, preferred stocks or debt-securities of issuers that can be converted into (that is, exchanged for) common stocks or other equity securities at a stated price or rate. Convertible securities also include other securities, such as warrants, that provide an opportunity for equity participation. Because convertible securities can be converted into equity securities, their value will normally vary in some proportion with those of the underlying equity securities. Due to the conversion feature, convertible securities generally yield less than non-convertible fixed income securities of similar credit quality and

maturity. A Fund's investment in convertible securities may at times include securities that have a mandatory conversion feature, pursuant to which the securities convert automatically into common stock at a specified date and conversion ratio, or that are convertible at the option of the issuer. When conversion is not at the option of the holder, a Fund may be required to convert the security into the underlying common stock even at times when the value of the underlying common stock has declined substantially.

18. **Cyber Security Risk**

The Company and its service providers are susceptible to operational and information security risk and related risks relating to cyber security incidents. In general, cyber security incidents can be the result of deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to: gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information; and corrupting data or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial of service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the Investment Managers, Administrator, Depositary or other service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interfering with the ability to calculate the NAV of a Fund, impeding trading of a Fund's portfolios, preventing Shareholders from transacting business with the Company, violating applicable privacy, data security or other laws, (and thereby subjecting the Company to regulatory fines and penalties, reputational damage, obligations to pay reimbursement or other compensation or remediation costs, legal fees, or additional compliance costs). Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which the Company engages in transactions, governmental and other regulatory authorities, exchange and other financial market operations, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management system or business continuity plan, including the possibility that certain risks have not been identified.

19. **Concentration Risk**

Where the portfolio of a Fund is concentrated (in terms of the number of different securities comprising the portfolio), the level of risk is expected to be higher than that associated with a broader based, more diversified fund. For example, the performance of a single stock within the portfolio may have a greater effect on the Fund's Net Asset Value per Share. Certain of the Funds may have portfolios comprising between 20 and 40 different securities and will therefore be exposed to concentration risk.

20. **Active Management Risk**

The Investment Managers will identify securities to invest in, rather than investing in a predetermined basket of securities such as an index. The Fund may underperform other investments and products given the style of investing and the longer term view of the Investment Managers of an underlying Investment's intrinsic value. For the avoidance of doubt, while the performance of a Fund may be measured against a Benchmark Index, stock selection is not constrained by the Benchmark Index and the Fund has full flexibility to invest in markets and securities not represented in the Benchmark Index.

21. **Risks relating to Operation of Collection Accounts**

A collection account has been established at umbrella level in the name of the Company in each of the currencies in which the share classes of the Funds are denominated (the "Umbrella Cash Collection Account").

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Collection Account. Investors will be unsecured creditors of such Fund with respect to any cash amount subscribed and held by the Company in the Umbrella

Cash Collection Account until such time as the Shares subscribed are issued, and will not benefit from any appreciation in the Net Asset Value of the relevant Fund in respect of which the subscription request was made or any other shareholder rights (including dividend entitlement) until such time as the relevant Shares are issued. In the event of the insolvency of the Fund in respect of which the subscription request was made, or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment by a Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Payment of redemption proceeds or dividends to the Shareholders entitled to such amounts may accordingly be blocked pending compliance with the foregoing requirements to the satisfaction of the Administrator. Redemption and dividend amounts, including blocked redemption or dividend amounts, will, pending payment to the relevant investor or Shareholder, be held in the Umbrella Cash Collection Account. For as long as such amounts are held in the Umbrella Cash Collection Account, the investors/Shareholders entitled to such payments from a Fund will be unsecured creditors of the Company with respect to those amounts and, with respect to and to the extent of their interest in such amounts, will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other shareholder rights (including further dividend entitlement). Redeeming Shareholders will cease to be Shareholders with regard to the redeemed Shares as and from the relevant redemption date. In the event of the insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to dividends should therefore ensure that any outstanding documentation and/or information required in order for them to receive such payments to their own account is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of a Fund, recovery of any amounts to which other Funds are entitled, but which may have transferred to the insolvent Fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish insolvency and trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to other Funds. Accordingly, there is no guarantee that any of the other Funds or the Company will recover such amounts, or that in such circumstances such other Funds or the Company would have sufficient funds to repay any unsecured creditors.

## 22. ***Large Redemption of Shares Risk***

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which the Investment Managers would normally prefer not to dispose of those assets possibly leading to a lower price being realised for such assets. This may limit the ability of the Investment Managers to successfully implement the investment strategy of a Fund and could negatively impact the value of the Shares being redeemed and the value of Shares that remain outstanding. In addition, following receipt of a redemption request, a Fund may be required to liquidate assets in advance of the applicable Dealing Day, which may result in a Fund holding cash or highly liquid investments pending such Dealing Day. During any such period, the ability of the Investment Managers to successfully implement the investment strategy of a Fund may be impaired and the Fund's returns may be adversely affected as a result.

## MANAGEMENT AND ADMINISTRATION

The Directors control the affairs of the Company and are responsible for the overall investment policy, which will be determined by them and given to the Manager from time to time. The Manager has delegated certain of its duties to the Investment Managers and the Administrator.

### The Directors

The Company shall be managed and its affairs supervised by the Directors, whose details are set out below. The Directors are all non-executive directors of the Company.

*Mr Michael Allen (British).* Mr Allen is the Chief Operating Officer and a director of Lazard Asset Management Limited, whose responsibilities include the provision and oversight of administration services of Lazard's UK and Irish funds. Before joining the Lazard Group, he was the Chief Operating Officer of Augustus Asset Management Limited and Head of Investment Administration, Fixed Income, for GAM (UK). Mr Allen has held a number of managerial positions in both London and Zurich and has been working in the investment industry for over 20 years. He is a member of the Chartered Institute for Securities & Investment.

*Mr Gavin Caldwell (Irish).* Mr Caldwell set up Ulster Bank Investment Managers Limited in 1980 and was its Chief Executive from 1980 until its sale to KBC Bank & Insurance Holding N.V. in 2000, when he became Chief Executive of KBC Asset Management Limited until 2003. From 1971 to 1974 he was an investment analyst at Wood MacKenzie. He joined Bank of Ireland Asset Management in 1974, where he was initially an equity fund manager and then Head of Fixed Interest. He was the inaugural Chairman of the Irish Branch of the Society of Investment Analysts (now CFA Ireland) in 1986 and was Chairman of the Association of Investment Managers in 1988 and 1998. He is currently an independent non-executive director of a number of investment companies. He holds a Business Studies degree from Trinity College, Dublin.

*Mr Andreas Hübner (German).* Mr Hübner is a Senior Managing Director of Lazard Asset Management group and Chief Executive Officer of Lazard Asset Management (Deutschland) GmbH, Frankfurt am Main. He is also Chairman of Lazard Asset Management Schweiz AG and responsible for the offices in Geneva, Hamburg, Milan and Zurich. He joined Lazard in 1999 from Schröder Münchmeyer Hengst & Co where he was a Member of the Executive Board and a personally liable partner. In addition, Mr Hübner held several senior positions in affiliated companies of Schröder Münchmeyer Hengst & Co. Prior to this Mr Hübner was working at DG Bank in New York and Frankfurt am Main. Mr Hübner is based in Frankfurt am Main, Germany.

*Mr Daniel Morrissey (Irish).* Mr Morrissey is a partner in the law firm William Fry, Dublin. He was educated at University College, Dublin graduating with a Bachelor of Civil Law (Hons) degree in 1976. He was subsequently awarded a Diploma in European Law by University College Dublin and qualified as a solicitor in 1977. He has been a partner in William Fry since 1981 specialising in corporate law initially with an emphasis on cross border mergers, acquisitions and joint ventures. In 1992 he established the asset management and investment funds business in William Fry and has been head of that business to date. Mr Morrissey is a former chairman of Irish Funds (the Irish funds industry body) and was a member of its Council from 2000 to 2006. He is also a non-executive director of a number of Irish companies.

*Mr William Smith (British).* Mr Smith is a Senior Managing Director of Lazard Asset Management group and Chief Executive of Lazard Asset Management Limited, its UK business. He joined Lazard in 2002 from ABN AMRO where he was Head of European Equities and Global Head of Research. Mr Smith previously held a number of senior positions at Barclays Bank, including Head of Savings and Investments, Deputy Chairman of Barclays Asset Management and Head of Research at BZW. He qualified as a Fellow of the Faculty of Actuaries whilst at Standard Life, is a Fellow of the Institute of Mathematics and its Applications and holds a BSc (Hons) in Pure Mathematics from Heriot Watt University. Mr Smith is based in London.

## **The Promoter**

Lazard Asset Management Limited is the promoter of the Company.

Lazard Asset Management Limited was incorporated in England and Wales on 12 October 1953 and is authorised by the Financial Conduct Authority to carry on regulated activities in the UK. Messrs Michael Allen and William Smith, who are directors of the Company, are also directors of the Promoter. Lazard Asset Management Limited is the London-based investment, client servicing and marketing arm of Lazard Asset Management group and caters for institutional, third party distribution and private clients in the UK, Northern Europe and the Middle East.

## **The Manager**

The Company has appointed Lazard Fund Managers (Ireland) Limited as its manager pursuant to the Management Agreement dated 26 February 2009. Under the terms of the Management Agreement the Manager has responsibility for the management and administration of the Company's affairs and the distribution of the Shares, subject to the overall supervision and control of the Directors.

The Manager has delegated the performance of the investment management functions in respect of the Funds to the Investment Managers and administrative functions to the Administrator. The Manager, through its branches in Spain and Belgium, and several of the Manager's delegates carry out distribution activities on behalf of the Funds.

The Manager is a private company limited by shares and was incorporated in Ireland on 1 February 1996. It is part of the Lazard Group and an indirect subsidiary of Lazard Limited. The Manager's main business is the provision of fund management and administration services, together with the provision of distribution services through its Spanish and Belgian branches, to collective investment schemes such as the Company. The Directors of the Company are also directors of the Manager. Three additional directors of the Manager, who are not Directors of the Company, are Mr John Reinsberg, Mr Gilles Trancart and Mr Nathan Paul whose details are set out below.

*Mr John Reinsberg (American).* Mr Reinsberg is a Deputy Chairman of Lazard Asset Management LLC, responsible for non-U.S./global investing. Mr Reinsberg joined Lazard Asset Management LLC in 1991. Prior to joining Lazard Asset Management LLC, Mr Reinsberg served as an Executive Vice President of General Electric Investment Corporation and a Trustee of General Electric Pension Trust. His other past affiliations included Jardine Matheson (Hong Kong) and Hill & Knowlton, Inc. Mr Reinsberg has an MBA from Columbia University and a BA from the University of Pennsylvania. He speaks German, French and Spanish.

*Mr Gilles Trancart (French).* Mr Trancart is Deputy CEO of Lazard Frères Gestion since 2011. Mr Trancart also acted as a Director of Lazard Freres Banque. Previously Mr Trancart was Chief Risk Officer for Newedge (Credit Agricole Group) from 2008 to 2011. From 2005 to 2008 Mr Trancart acted as Global head of Markets Risk at Credit Agricole Corporate & Investment Bank (CACIB). He also worked as a general partner in Phillippe Oddo and has acted as an independent director and consultant for a number of stock markets and clearing houses in Europe. Mr Trancart began his career at the Banque of France.

*Mr Nathan A. Paul (American).* Mr Paul is Chief Business Officer of Lazard Asset Management LLC, and manages the global business initiatives of Lazard. Mr Paul joined Lazard Asset Management LLC in 2000. Prior to his appointment as Chief Business Officer, Mr Paul was General Counsel at Lazard Asset Management LLC from 2002 to 2017, where he led Lazard's global Legal and Compliance Department. Mr Paul also serves on the firm's Management and Oversight committees, Investment Council and serves as President and Director of The Lazard Funds Inc. Previously, Mr. Paul worked at Schulte Roth & Zabel LLP. Mr. Paul has a BA from Yeshiva University and a JD from Cardozo Law School.

The Secretary is also the secretary of the Manager. The Manager is also manager of another Irish domiciled investment company sponsored by the Lazard Group, namely Lazard Global Active Funds plc.

The Manager has approved and adopted a remuneration policy (the “Remuneration Policy”) which reflects the remuneration practices of the Lazard Asset Management group of companies. The Remuneration Policy aligns the interests of staff with the long-term interests of clients, the business, shareholders, and other stakeholders. It focuses on performance-related pay, together with an emphasis on ensuring that performance is not achieved by taking risks which fall outside the Manager’s risk appetite. In the Manager’s opinion, the Remuneration Policy is proportionate and consistent with sound and effective risk management in accordance with applicable UCITS requirements. Details of the Manager’s up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration/benefits, can be accessed from the following website: [www.lazardaassetmanagement.com](http://www.lazardaassetmanagement.com). A paper copy of these policy details is also available free of charge from the Manager upon request.

## **The Investment Managers**

The Manager has delegated its responsibility for the investment and re-investment of the Company’s assets (other than for Lazard European High Yield) to Lazard Asset Management LLC. Lazard Asset Management (Deutschland) GmbH has been appointed as Investment Manager in respect of the Lazard European High Yield Fund.

Lazard Asset Management LLC is an indirect subsidiary of Lazard Limited, the ultimate holding company within the Lazard Group. Lazard Asset Management LLC is registered as an investment adviser with the SEC under the United States Investment Advisers Act of 1940.

Lazard Asset Management LLC was incorporated in Delaware, United States, on 20 August 2002. Lazard Asset Management LLC provides investment management and advisory services to institutional clients, financial intermediaries, private clients, and investment vehicles around the world. Such clients include: institutional (corporations, labor unions, public pension funds, insurance companies and banks; and through sub-advisory relationships, mutual fund sponsors, broker-dealers and registered advisors) and individual clients (principally family offices and high-net worth individuals).

Lazard Asset Management (Deutschland) GmbH is a limited liability company incorporated in Germany on 12 March 1999 and has its registered office at Neue Mainzer Strasse 75 60311 Frankfurt am Main Germany.

Lazard Asset Management (Deutschland) GmbH is an indirect wholly owned subsidiary of Lazard Limited, the ultimate holding company of the Lazard Group. Lazard Asset Management (Deutschland) GmbH is regulated by the German Federal Financial Services Authority and is subject to its requirements.

The Investment Managers are responsible for managing the assets and investments of the relevant Funds of the Company in accordance with the investment objective, policy and strategies described in the relevant Supplement, subject always to the supervision and direction of the Directors and the Manager. The Investment Managers may delegate to sub-investment managers/advisers or other delegates and details of such entities, where appointed, will be provided to Shareholders on request and will be published in the periodic reports. The fees and expenses of any sub-investment manager/adviser or other delegate will be discharged by the Investment Managers out of its fee or may be paid directly out of the assets of the relevant Fund where agreed with the Company and set out in the Prospectus and/or relevant Supplement.

The activities of each of the Investment Managers are covered by its professional liability insurance policy.

### *Currency Manager*

The Lazard Asset Management LLC has appointed State Street Bank Europe Limited (the “Currency Manager”) to provide non-discretionary currency hedging services to Lazard Asset Management LLC in respect of the Company.

The Currency Manager is a bank incorporated in England and is authorised and regulated by the FCA in the conduct of its business. The Currency Manager provides services to institutional investors and is an indirect subsidiary of State Street Corporation.

### **The Administrator, Registrar and Transfer Agent**

The Manager has delegated its responsibilities as administrator, registrar and transfer agent to State Street Fund Services (Ireland) Limited (the "Administrator") pursuant to the administration agreement dated 22 October 2010 between the Company, the Manager and the Administrator as amended by supplemental administration agreement dated 7 December 2010 and the second supplemental administration agreement dated 26 September 2016 (the "Administration Agreement"). The Administrator will have the responsibility for administering the day to day operations and business of the Company including processing subscriptions, redemptions, computing net asset values, maintaining books and records, disbursing payments, establishing and maintaining accounts on behalf of the Company and any other matters usually performed for the administration of a fund subject to the overall supervision of the Directors. The Administrator will keep the accounts of the Company in accordance with international accounting standards. The Administrator will also maintain the shareholders register.

The Administrator is a limited liability company incorporated in Ireland on 23 March 1992 and is ultimately a wholly-owned subsidiary of the State Street Corporation. The authorised share capital of the Administrator is Stg£5,000,000 with an issued and paid up capital of Stg£350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S., and trades on the New York Stock Exchange under the symbol "STT".

### **Depository**

State Street Custodial Services (Ireland) Limited has been appointed to act as Depository of the Company. The principal activity of the Depository is to act as depository and trustee of the assets of collective investment schemes. The Depository is regulated by the Central Bank.

The Depository is a private limited liability company incorporated in Ireland on 22 May 1991. The Depository is ultimately owned by State Street Corporation. Its authorised share capital is Stg£5,000,000 and its issued and paid up capital is Stg£200,000. State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol "STT".

Pursuant to the Depository Agreement, the Depository will provide safekeeping for the Company's assets in accordance with applicable UCITS requirements. In addition, the Depository has the following main duties, which may not be delegated:

- it must ensure that the sale, issue, repurchase, redemption and cancellation of Shares is carried out in accordance with the Regulations and the Articles;
- it must ensure that the value of the Shares is calculated in accordance with the Regulations and the Articles;
- it must carry out the instructions of the Manager unless such instructions conflict with the Regulations or the Articles;
- it must ensure that in transactions involving the Company's assets or the assets of any Fund that any payment in respect of same is remitted to the relevant Fund(s) within the usual time limits;
- it must ensure that the income of the Company or of any Fund(s) is applied in accordance with the Regulations and the Articles;



- it must enquire into the conduct of the Company and the Manager (acting on behalf of the Company) in each accounting period and report thereon to Shareholders; and
- it must ensure that the Company's cash flows are properly monitored in accordance with the Regulations.

In accordance with applicable UCITS requirements, the Depositary shall be liable to the Company and the Shareholders (i) in respect of a loss of a financial instrument held in its custody (or in the custody of any third party to whom the Depositary's safekeeping functions have been delegated) unless the Depositary can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary and (ii) in respect of all other losses arising as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Directive.

#### *Conflicts of Interest*

Conflicts of interest may arise for the Depositary and/or its delegates from time to time, including without limitation where the Depositary and/or any of its delegates:

- is likely either to make a financial gain or avoid a financial loss at the expense of the Company or its Shareholders;
- has an interest in the outcome of a service or an activity provided to the Company or of a transaction carried out on behalf of the Company which is distinct from the Company's interest;
- has a financial or other incentive to give priority to the interest of another client or group of clients over the interests of the Company;
- carries on the same activities for the Company and for other clients that adversely affect the Company; or
- is in receipt of inducement in the form of monies, good or services other than the standard commission or fee for that service.

In accordance with the Directive, the Depositary must not carry out activities with regard to the Company or with regard to the Manager acting on behalf of the Company that may create conflicts of interest between itself and (i) the Company, (ii) the Shareholders and/or (iii) the Manager unless it has separated the performance of its depositary tasks from its other potentially conflicting tasks in accordance with the Directive and the potential conflicts are identified, managed, monitored and disclosed to Shareholders. Please also refer to the section of this Prospectus entitled 'Conflicts of Interest'.

#### *Delegation*

The Depositary may delegate its safekeeping duties only in accordance with the Regulations and provided that: (i) the services are not delegated with the intention of avoiding the requirements of the Regulations; (ii) the Depositary can demonstrate that there is an objective reason for the delegation; and (iii) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it has delegated its safekeeping duties either wholly or in part and continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any such third party and of the arrangements of such third party in respect of the matters delegated to it. Any third party to whom the Depositary delegates its safekeeping functions in accordance with the Regulations may, in turn, sub-delegate those functions subject to the same requirements as apply to any delegation effected directly by the Depositary. The liability of the Depositary will not be affected by any delegation of its safekeeping functions.

The Depositary may delegate safekeeping of the Company's assets to State Street Bank and Trust Company ("SSBTC"), its global sub-custodian, through which it has access to SSBTC's global network of sub-custodians (the "Global Custody Network"). SSBTC's Global Custody Network covers more than 100 markets worldwide. The entities to whom safekeeping of the Company's assets may be sub-delegated are set out at Appendix IV.

Up-to-date information regarding the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to investors by the Company on request.

Please refer to the section of this Prospectus entitled "Material Contracts" for further details of the Depositary Agreement.

### **The Distributors**

The Manager has appointed Lazard Asset Management (Deutschland) GmbH as the Company's Distributor in Germany, Austria and Italy, Lazard Asset Management Schweiz AG as the Company's Distributor in Switzerland, Lazard Asset Management Securities LLC as the Company's Distributor in the United States, Lazard Asset Management (Singapore) Pte. Ltd. as the Company's Distributor in Singapore, Malaysia, Thailand, Brunei, Indonesia, Hong Kong, Macau and the Philippines, Lazard Frères Gestion as the Company's Distributor in France and Lazard Asset Management (Hong Kong) Limited as the Company's Distributor in Hong Kong, Taiwan, Macau and Brunei. Other Distributors may be appointed from time to time.

In addition, the Manager itself provides distribution services to certain Funds through its branches located in Spain and Belgium.

The Distributors will be responsible for the distribution and marketing of the Shares of the Company. The Distributors may also appoint sales agents and sub-agents provided that the Distributors shall remain liable for the acts and omissions of such sales agents and sub-agents.

### **Secretary**

Each of the Company and the Manager has appointed Wilton Secretarial Limited as its secretary.

### **Conflicts of Interest**

The Manager, the Investment Managers and other members of the Lazard Group and their affiliates, officers and shareholders (collectively the "Parties" and each a "Party") are or may be involved in other financial investment and professional activities which may on occasion cause conflicts of interest with the management of the Company. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Company may invest. In particular it is envisaged that the Manager and the Investment Managers may be involved in advising other investment funds which may have similar or overlapping investment objectives to or with the Company. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise will be resolved fairly. In the event that any of the assets of the Company would be invested in any such investment funds, the Party involved in providing such management or other advisory services will waive the preliminary or initial charges which it may otherwise be entitled to charge for its own account. In relation to such investment of the Company's assets, if any commission or fees are or would be received by such Lazard Group member by virtue of an investment of the assets of the Company in such investment fund, such commission will be paid to the Company for its own account.

In addition, due to the widespread operations undertaken by the Manager, the Depositary, any delegates or sub-delegates of the Manager or of the Depositary (excluding any non-group company sub-custodians appointed by the Depositary) and any associated or group company of the foregoing, including their respective holding companies, subsidiaries and affiliates (each a "Connected Person") conflicts of interest may arise. A Connected Person may acquire or dispose of any Investment notwithstanding that the same or similar Investments may be owned by or for the account of or otherwise connected with the Company. Furthermore, a Connected Person may acquire, hold or dispose of Investments notwithstanding that such Investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the Connected Person was concerned provided that the acquisition by the Connected Person of such Investments is conducted at arms' length and in the best interests of Shareholders. A Connected Person may from

time to time deal, as principal or agent, with the Company provided that such dealings are in the best interests of Shareholders (as at the date of the transaction) and are conducted at arm's length such that:

- (i) the value of the transaction is certified by a person approved by the Depositary (or by the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) as being independent and competent; or
- (ii) execution is on best terms on an organised investment exchange under the rules of the relevant exchange; or
- (iii) where (i) or (ii) are not practical, execution is on terms which the Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary), is satisfied conforms to the requirement that such transactions be conducted at arm's length and in the best interests of Shareholders at the date of the transaction.

In the case of each transaction entered into with a Connected Person for or on behalf of the Company or any Fund(s), the Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary), shall document the manner in which the transaction has complied with the principles set out at (i) to (iii) above and where a transaction with a Connected Party is conducted in accordance with (iii) above, the Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its/their rationale for being satisfied that the transaction conformed to the requirement that such transactions be conducted at arm's length and in the best interests of Shareholders as at the date of the transaction.

In the event that a conflict of interest does arise, the Directors, in so far as they are reasonably able, will endeavour to ensure that it is resolved fairly.

The Investment Managers may receive a Performance Fee in respect of any Fund based on the appreciation in the Net Asset Value per Share of the relevant Fund. Such a compensation arrangement may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of such a fee arrangement.

In addition, the Investment Managers may have responsibility for setting the fair value price of assets for which no price is ascertainable or in respect of which the available price is unrepresentative. This may result in a potential conflict of interest as the Investment Managers' fee may increase as the Net Asset Value of a Fund increases.

Where any conflict of interest arises, the Investment Managers will at all times have regard to their obligations to act in the best interests of the Company and the Manager will endeavour, in so far as it is reasonably able, to ensure that any such conflict is resolved fairly.

## **Meetings**

Shareholders in the Company will be entitled to attend and vote at general meetings of the Company. The annual general meeting of the Company will normally be held in Ireland within six months of the end of each financial year. Notices convening each annual general meeting will be sent to Shareholders together with the annual accounts and reports not less than twenty-one days before the date fixed for the meeting.

## **Accounts and Information**

The Company's accounting period ends on 31 March in each year.

The Company will prepare an annual report and audited financial statements which will be published within four months of the end of the financial period to which they relate. The Company will also prepare a semi-annual report and unaudited half-yearly financial statements made up to 30 September in each year which will be published within two months of the end of the half-year period to which they relate. Both of these reports will be made available to Shareholders on [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com).

Copies of this Prospectus, the Supplements and the annual and half-yearly reports of the Company may be obtained from the Administrator at the address given under “Directory”.

## VALUATION, SUBSCRIPTIONS AND REDEMPTIONS

### Calculation of Net Asset Value

The Net Asset Value of each Fund will be expressed in its base currency. The calculation of the Net Asset Value of each Fund and of each class thereof will be carried out by the Administrator in accordance with the requirements of the Articles, and details are set out under the heading “Statutory and General Information” below. Except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading “Temporary Suspensions” below, the calculation of the Net Asset Value of each Fund, the Net Asset Value per Share (and, where there is more than one Share class in a Fund, the Net Asset Value attributable to each class and the Net Asset Value per Share per class) will be prepared as at each Valuation Point and will be available to Shareholders on request. The Net Asset Value per Share shall also be made public at the offices of the Promoter and the Administrator during normal business hours and will be published on the Promoter’s website at [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com) (which must be kept up to date).

The Net Asset Value attributable to any class of Shares within a Fund will be determined by deducting the share of liabilities of that class from its share of the assets of the Fund. The Net Asset Value of each Share of each class will be determined by dividing the Net Asset Value attributable to the class by the number of Shares of that class and rounding the resulting amount to such number of decimal places as the Directors may determine.

### Operation of the Subscription and Redemption Collection Account/s

A collection account has been established at umbrella level in the name of the Company in each of the currencies in which the share classes of the Funds are denominated (the “Umbrella Cash Collection Account”). All subscriptions into and redemptions and dividends due from the Funds will be paid into the Umbrella Cash Collection Account.

Pending issue of the Shares and / or payment of subscription proceeds to an account in the name of the relevant Fund, and pending payment of redemption proceeds, the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions payable from, a Fund will be channelled and managed through the Umbrella Cash Collection Account. Subscription amounts paid into the Umbrella Cash Collection Account will be paid into an account in the name of the relevant Fund on the contractual settlement date. Where subscription monies are received in the Umbrella Cash Collection Account without sufficient documentation to identify the investor or the relevant Fund, such monies shall be returned to the relevant investor to the account from which they were received within five (5) business days and as specified in the operating procedure in respect of the Umbrella Cash Collection Account.

Redemptions, including blocked redemptions, will be held in the Umbrella Cash Collection Account until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Shareholder/investor.

Failure to provide the necessary complete and accurate documentation in respect of subscriptions, redemptions or dividends, and / or to make payment into the Umbrella Cash Collection Account or the correct Umbrella Cash Collection Account, as appropriate, is at the investor’s risk.

The Depositary will be responsible for oversight of the monies in the Umbrella Cash Collection Account in accordance with its obligations pursuant to the Directive.

The Manager and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account which identifies the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect of a Fund due to late payment of subscriptions, and / or transfers to a Fund of monies attributable to another Fund due to timing differences.

## **Subscription**

The Directors may issue Shares of any class of any Fund on such terms as they may from time to time determine. The terms and conditions applicable to the issue of Shares of any class including details as to the price at which Shares will be issued together with subscription and settlement details and procedures will be set out in the relevant Supplement. All Shares will be registered in inscribed form and evidenced by entry on the Company's register of Shareholders. Share certificates will not be issued. Each Shareholder will be sent a trade confirmation confirming ownership of the relevant Shares.

Under the Articles, the Directors are given authority to effect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefor. The Directors have the power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who are not Qualified Holders or expose the Company to adverse tax or regulatory consequences.

If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred) as soon as possible by telegraphic transfer (but without interest, costs or compensation).

No Shares of any class will be issued or allotted during a period when the determination of Net Asset Value of that class is suspended.

## **Redemption**

Shareholders may redeem their Shares on any Dealing Day in accordance with the procedures and at the price set out in the relevant Supplement.

## **Fractions**

Subscription monies representing less than the Share Price will not be returned to the applicant. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the Share Price for one Share, provided however, that fractions shall not be less than 0.001 of a Share.

Subscription monies representing less than 0.001 of a Share will not be returned to the applicant but will be retained by the Company in order to defray administration costs.

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in a Fund:

- (a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the Share Price for one Share, provided however that fractions shall not be less than 0.001 of a Share;
- (b) redemption monies representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the Fund in order to defray administration costs.

## **Subscriptions/Redemptions in Specie**

### Subscription in Specie

The Directors may issue Shares of any Fund by way of exchange for Investments provided that:

- (a) in the case of a person who is not an existing Shareholder no Shares shall be issued until the person concerned shall have completed and delivered to the Administrator an Application Form as required under this Prospectus (or otherwise) and/or otherwise satisfied all the requirements of the Directors and Manager as to such person's application;

- (b) the nature of the investments transferred into the Fund are such as would qualify as Investments of such Fund in accordance with the investment objective, policy and restrictions of such Fund;
- (c) no Shares shall be issued until the Investments shall have been vested in the Depositary or any sub-custodian to the Depositary's satisfaction and the Depositary shall be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund; and
- (d) any exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the Company. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Duties or Charges to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments.

#### Redemption in Specie

- (a) The Manager may, provided that it is satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders and with the agreement of a Shareholder seeking the realisation of Shares in any Fund, elect that instead of the Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash.
- (b) If the discretion conferred upon the Manager by paragraph (a) is exercised, the Manager shall notify the Depositary and shall supply to the Depositary particulars of the Investments to be transferred and the amount of cash to be paid to the Shareholder. The allocation of Investments in satisfaction of an in specie redemption request shall be subject to the approval of the Depositary. All stamp duties, transfer and registration fees in respect of such transfers shall be payable by the Shareholder.
- (c) If a redeeming Shareholder requests redemption of a number of Shares that represent 5% or more of the Net Asset Value of a Fund the Manager may in its sole discretion redeem the Shares by way of exchange for Investments and in such circumstances the Manager will, if requested by the redeeming Shareholder, sell the Investments on behalf of the Shareholder. The cost of such sale may be charged to the Shareholder.

#### **Currency of Payment and Foreign Exchange Transactions**

In exceptional circumstances payments in respect of the purchase or redemption of Shares or dividend payments may be tendered or requested in a currency other than the currency of denomination of the relevant Share class. In such circumstances, any necessary foreign exchange transactions will be arranged by the Administrator for the account of and at the risk and expense of the investors, in the case of subscriptions, at the time cleared funds are received, in the case of redemptions, at the time the request for redemption is received and accepted, and in the case of dividends, at the time of payment. Transaction costs will be borne by the investor. The exchange rate applicable to any such transactions will be the prevailing exchange rate quoted by the Administrator's bankers.

#### **Compulsory Redemption**

The Manager shall have the right to redeem compulsorily any Share at the Share Price or to require the transfer of any Share to a Qualified Holder if in its opinion (i) such Share is held by a person other

than a Qualified Holder; or (ii) the redemption or transfer (as the case may be) would eliminate or reduce the exposure of the Company or the Shareholders to adverse tax or regulatory consequences.

### **Total Redemption**

All the Shares of the Company or of any Fund may be redeemed:

- (a) at the discretion of the Directors, by giving not less than 30 days' notice in writing to the relevant Shareholders; or
- (b) if the Shareholders of the Company or of the relevant Fund so approve by way of special resolution.

### **Switching Between Share Classes and Funds**

Shareholders of a class within a Fund may switch to other classes within such Fund or other Funds at the Directors' discretion in accordance with the provisions set out below.

The holders of Shares of each class of any Fund may switch to a corresponding class of Shares (if any) in that Fund or in any of the other Funds. On the establishment of any new Fund (or class thereof) the Directors shall specify the switching rights relating to such Fund (or class thereof), where such rights are different to those set out in this section.

Switching may be effected by application to the Administrator on such switching form as may be prescribed by the Directors.

If a switch from one Share class of a Fund (the "Original Class ") to another Share class of the same Fund or of another Fund (the "New Class") would result in a Shareholder holding a number of Shares in the Original Class with a value of less than the Minimum Holding, the Company (or the Administrator on its behalf) may, at its discretion, convert the whole of the applicant's holding of Shares in the Original Class in order to meet the applicable Minimum Holding threshold (where possible) or may refuse to effect any switch whatsoever. No conversions will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to conversion.

The number of Shares in any New Class to be issued will be calculated in accordance with the following formula:

$$A = \frac{B \times (C \times D \times F)}{E}$$

Where:

- A = the number of Shares of the New Class to be allotted;
- B = the number of Shares of the Original Class to be converted;
- C = the Net Asset Value per Share of the Original Class in respect of the Valuation Point on the relevant Dealing Day;
- D = the currency conversion factor determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the switch between the relevant Share classes (where the currencies in which the relevant Share classes are denominated are different). Where the currencies of denomination of the relevant Share classes are the same, D=1;
- E = the Net Asset Value per Share of the New Class in respect of the Valuation Point on the relevant Dealing Day plus the current switching fee (of up to 1% of the Net Asset Value of the Shares in the Original Class); and
- F = the switching factor to be applied to switching between Share classes with different settlement dates. This factor will be determined by the Administrator as being derived from the borrowing



rate of interest (which may be retail or business depending on the volume of switching) where the settlement date for Shares in the New Class is earlier than the settlement date for Shares in the Original Class. In such circumstances, this factor shall operate to compensate the New Class for late settlement. In all other cases, including where the settlement dates of the relevant Share classes are the same,  $F=1$ .

Where there is a conversion of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion A to B.

### **Anti-Money Laundering**

Measures aimed towards the prevention of money laundering may require a detailed verification of the identity of existing Shareholders, applicants for and potential transferees of Shares. Depending on the circumstances of each case, a detailed verification might not be required where (i) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised in Ireland as having equivalent anti-money laundering regulations.

By way of example, an individual may be required to produce a copy of a passport or identification card duly certified by an appropriate official as outlined within the Application Form, together with evidence of his/her address (either in the form of (a) two different utility bills or (b) a utility bill and a bank statement; such documentation to be either originals or certified copies and no more than 3 months old) and date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors of such corporate applicant.

The Manager and the Administrator reserve the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes the Manager may take such action as it sees fit, including refusing to accept the application and all subscription monies or, if Shares have been issued, compulsorily redeeming such Shares. It may also withhold redemption proceeds and approval of transfer of Shares, as the circumstances warrant.

Each applicant for Shares acknowledges that the Company, the Manager, the relevant Investment Manager and the Administrator shall be indemnified and held harmless against any loss arising as a result of failure to process his application form, or request for the redemption of, Shares if such information and documentation as has been properly requested by the Administrator or Manager has not been provided by the applicant. In addition, if an application is refused, subscription monies will only be returned if such return is permissible under Irish money laundering laws.

### **Transfer of Shares**

Shares are (save as hereinafter specified and subject to such other conditions as may be set out in the relevant Supplement) freely transferable and may be transferred in writing in a form approved by the Directors. Prior to the registration of any transfer, transferees must complete an Application Form and provide such other information (e.g. as to identity) as the Company or its delegates may reasonably require. The Directors may decline to register any transfer of a Share:

- (a) where they are aware or believe that such transfer would result in the legal or beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Company to adverse tax or regulatory consequences; or
- (b) to a person who is not already a Shareholder if, as a result of such transfer, the proposed transferee would not be the holder of a Minimum Holding.

## Temporary Suspensions

The Company may temporarily suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares of any class of any Fund:

- (a) during the whole or any part of any period when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Directors, reasonably practicable without this being prejudicial to, or detrimental to the interests of, owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated;
- (c) during the whole or any part of any period during which any breakdown occurs in the means of communication normally employed in determining the value of any of the Investments of the Company or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;
- (d) during the whole or any part of any period when the Company is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in the transfer of monies or assets required for subscriptions, redemptions or trading;
- (e) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving to wind up the Company; or
- (f) during any period when the Manager or Directors believe it is in the best interests of the Shareholders to suspend dealings in the relevant Fund or Share class.

The Company, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

If total requests for redemption and/or switching on any Dealing Day for any Fund exceed 10% of the Net Asset Value of that Fund, each redemption or switching request in respect of Shares in such Fund may, at the discretion of the Directors, be reduced pro rata so that the total number of Shares of such Fund for redemption or switching on that Dealing Day shall not exceed 10% of the Net Asset Value of that Fund. Any redemption or switching request so reduced shall be carried forward to the next Dealing Day and effected in accordance with the Articles on the following (and, if necessary, subsequent) Dealing Day(s). If redemption or switching requests are so carried forward, the Company shall procure that the Shareholders whose dealings are affected thereby are promptly informed.

In the event of any suspension as set out above, the Company will publish such fact in the Financial Times at the next available opportunity and will immediately (and in any event during the Business Day on which the suspension occurred) notify the Central Bank and any other competent authority in a Member State or other country in which Shares are marketed.

## FEES AND EXPENSES

### General

The fees and expenses relating to the establishment of the Company will be borne by the Manager or the Promoter and will not be borne by the Company.

Value added tax (if any) on fees payable by the Company will be borne by the Company.

### Performance Fees

Details in respect of performance fees, where charged, will be set out in the Supplement for the relevant Fund.

### Currency Manager's Fees

The Company shall pay the Currency Manager an annual fee, calculated and accrued daily and payable quarterly in arrears, not in excess of 0.06% per annum of the Net Asset Value of each hedged Share class in issue, such fee to accrue solely to the hedged Share class in respect of which it is incurred. The foregoing fee is subject to the Currency Manager being entitled to a minimum annual service fee, calculated and accrued daily and payable quarterly in arrears, of US\$75,000 charged pro rata to all relevant hedged Share classes in issue.

### Management Fees

The fees which may be charged by the Manager to each class of each Fund are set out in the relevant Supplement. The Manager will be responsible for discharging the fees and expenses of the Investment Managers, the Promoter and the Distributors out of its fee.

The Manager may, at its discretion, pay rebates of its Management Fee to Shareholders. Rebates of the Management Fee, where granted, will be granted based upon objective criteria, including for example:

1. the volume subscribed by the Shareholder or the total volume they hold in the Company or, where applicable, in the product range of the Promotor;
2. the amount of the fees generated by the Shareholder;
3. the investment behaviour displayed by the Shareholder; and
4. the Shareholder's willingness to provide support in the launch phase of a Fund.

### Other Expenses

Subject to such fee cap as may be applied and set out in the Supplement for the relevant Fund, the Company will also be responsible, in respect of each Fund, for the liabilities set out below:

#### *Directors' Fees*

The Directors shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Directors. Directors who are executives of the Lazard Group will not be paid such fees. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company.

#### *Operational Expenses*

The Company will also pay out of the assets of each Fund:

- (a) administration and custodial fees and expenses;

- (b) any fees in respect of circulating details of the Net Asset Value (including publishing prices), Net Asset Value per Share and Net Asset Value per Share per class;
- (c) stamp duties;
- (d) the Central Bank's industry funding levy;
- (e) taxes;
- (f) company secretarial fees;
- (g) rating fees (if any);
- (h) brokerage or other expenses of acquiring and disposing of Investments;
- (i) fees and expenses of the auditors, tax, legal and other professional advisers of the Company;
- (j) fees connected with listing of Shares on any stock exchange;
- (k) fees and expenses in connection with the distribution of Shares and costs of registration and agency fees (which shall be at normal commercial rates) of the Company in jurisdictions outside Ireland;
- (l) costs of preparing, printing and distributing the Prospectus, any Supplements, any KIIDs, reports, accounts and any explanatory memoranda;
- (m) any necessary translation fees;
- (n) any costs incurred as a result of periodic updates of the Prospectus, any Supplement and any KIID, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (o) in respect of each financial year of the Company in which expenses are being determined, such proportion (if any) of any establishment expenses as are being amortised in that year;
- (p) fees connected with the winding-up of the Company and/or any Fund; and
- (q) any other fees and expenses relating to the management and administration of the Company or attributable to the Company's Investments.

The above expenses shall be charged as between each Fund and class thereof on such terms and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable.

All fees and expenses, Duties and Charges will be charged to the Fund (and class or classes thereof, if appropriate) in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the Net Asset Value of the Funds. Expenses of the Company which are directly attributable to a specific class or classes of Shares are charged against the income available for distribution to the holders of such Shares unless otherwise stated in the Supplement for the relevant Fund.

In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

## **ALLOCATION OF ASSETS AND LIABILITIES**

The Articles contain the following provisions regarding the operation of a Fund:

- (a) the records and accounts of each Fund shall be maintained separately in the base currency of the relevant Fund;
- (b) the liabilities of each Fund shall be attributable exclusively to that Fund;
- (c) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Depositary from the assets of other Funds, and shall not (save as provided in the Act) be used to discharge directly or indirectly the liabilities of or claims against any Fund and shall not be available for any such purpose;
- (d) the proceeds from the issue of each class of Shares shall be applied to the relevant Fund established for that class of Shares, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (e) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it is derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (f) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion, subject to the approval of the Auditors, to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have the power at any time and from time to time, subject to the approval of the Auditors, to vary such basis, provided that the approval of the Auditors shall not be required in any case where the asset or liability is allocated between the Funds pro rata to their Net Asset Value.

# TAXATION

## General

***The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.***

The following is a brief summary of certain aspects of Irish and United Kingdom tax law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.

Dividends, interest and capital gains (if any) the Company receives with respect to its Investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of Investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

Potential investors and Shareholders should note that the statements on taxation which are set out below are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

## Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes, the taxation position of the Company and the Shareholders is as set out below.

### Definitions

For the purposes of this section, the following definitions shall apply.

#### **"Courts Service"**

The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts.

#### **"Equivalent Measures"**

apply to an investment undertaking where the Irish Revenue Commissioners have given the investment undertaking notice of approval in accordance with Section 739D (7B) of the Taxes Act and the approval has not been withdrawn.

#### **"Exempted Irish Investor"**

means:

- an Intermediary;
- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;

- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- a specified company within the meaning of Section 734(1) of the Taxes Act;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- an Irish resident company investing in a money market fund being a person referred to in Section 739D(6)(k) of the Taxes Act;
- the National Pension Reserve Fund Commission or a Commission investment vehicle;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- an Irish Resident company within the charge to corporate tax in accordance with Section 110 of the Taxes Act being a person referred to in Section 739D(6)(m) of the Taxes Act;
- the National Asset Management Agency being a person referred to in Section 739D(6)(ka) of the Taxes Act; or
- any other Irish Resident or Irish Ordinary Resident who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company;

provided that a Relevant Declaration is in place.

#### **“Foreign Person”**

means a person who is neither an Irish Resident nor an Irish Ordinary Resident for tax purposes who has provided the Company with the Relevant Declaration under Schedule 2B of the Taxes Act and in respect of whom the Company is not in possession of any information that would reasonably suggest that the Relevant Declaration is incorrect or has at any time been incorrect.

#### **“Intermediary”**

means a person who:

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds shares in an investment undertaking on behalf of other persons.

#### **“Ireland”**

means the Republic of Ireland/the State.

#### **“Irish Ordinary Resident”**

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

The following definition has been issued by the Irish Revenue Commissioners in relation to the ordinary residence of individuals:

The term “ordinary residence” as distinct from “residence”, relates to a person’s normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2013 to 31 December 2013 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2016 to 31 December 2016.

#### **“Irish Resident”**

- in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is resident in Ireland for tax purposes.
- in the case of a company, means a company that is resident in Ireland for tax purposes.

#### Residence – Individual

An individual will be regarded as being resident in Ireland for a particular twelve month tax year if s/he:

- spends 183 days or more in Ireland in that twelve month tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point during that day.

#### Residence – Trust

Determining the tax residence of a trust can be complex. A trust will generally be regarded as resident in Ireland for tax purposes if a majority of its trustees are resident for tax purposes in Ireland. Where some, but not all, of the trustees are resident in Ireland, the residency of the trust will depend on where the general administration of the trust is carried on. In addition, the provisions of any relevant double tax agreement would need to be considered. As a result, each trust must be assessed on a case by case basis.

#### Residence – Company

It should be noted that the determination of a company’s residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

#### *Companies incorporated prior to 1 January 2015*

The Irish tax rules for companies incorporated prior to 1 January 2015 provide that a company incorporated in Ireland will be regarded for all tax purposes as being resident in Ireland. Irrespective of where a company is incorporated a company which has its central management and control in Ireland is resident in Ireland. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a taxation treaty country (however this exception does not apply where the company’s place of central management and control is in a jurisdiction that only applies an incorporation test for determining residency and the company would therefore not be regarded as tax resident in any jurisdiction);



or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

#### *Companies incorporated on or after 1 January 2015*

Finance Act 2014 introduced changes to the above residency rules for companies. From 1 January 2015, a company incorporated in Ireland will be automatically considered resident in Ireland for tax purposes, unless it is considered resident in a jurisdiction with which Ireland has a double tax agreement. A company incorporated in a foreign jurisdiction that is centrally managed and controlled in Ireland will continue to be treated as resident in Ireland for tax purposes, unless otherwise resident by virtue of a double tax agreement.

Companies incorporated prior to 1 January 2015 have until 1 January 2021 before the new corporate residency provisions take effect.

#### **“Personal portfolio investment undertaking” or “PPIU”**

means an investment undertaking, under the terms of which some or all of the property of the undertaking, may be or was, selected by, or the selection of some or all of the property may be, or was, influenced by – the investor, a person acting on behalf of the investor, a person connected with the investor, a person connected with a person acting on behalf of the investor, the investor and a person connected with the investor, or a person acting on behalf of both the investor and a person connected with the investor.

An investment undertaking is not a PPIU if the only property which may be or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required.

#### **“Relevant Declaration”**

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the application form accompanying the relevant Supplement to this Prospectus.

#### **“Relevant Period”**

means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

#### **“Taxable Irish Person”**

means any person, other than

- a Foreign Person; or
- an Exempted Irish Investor.

#### **“Taxes Act”**

means the Taxes Consolidation Act 1997 (of Ireland) as amended.

#### **The Company**

The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere.

It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish Resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. Under current Irish law and practice, on that basis, it is not chargeable to Irish tax on its income and gains.

However, a 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 or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer of an entitlement to a Share. A chargeable event also occurs on the ending of each Relevant Period. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Irish Ordinary Resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration there is a presumption that the investor is Irish Resident or Irish Ordinary Resident.

A chargeable event will not be deemed to arise if at the time of the chargeable event Equivalent Measures have been formally agreed with the Irish Revenue Commissioners and the approval has not been withdrawn. In the absence of a Relevant Declaration or Equivalent Measures there is a presumption that the investor is Irish Resident or Irish Ordinary Resident.

A chargeable event does not include:

- an exchange by a Shareholder, effected by way of any arm’s length bargain of Shares in the Company for other Shares in the Company;
- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses, former spouses, civil partners or former civil partners, subject to certain conditions;
- an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another investment undertaking (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or such beneficial owner as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Where tax arises on the ending of a Relevant Period, the Company has the option of electing to value the Shares at bi-annual dates (meaning 30 June or 31 December) rather than at the date of the end of the Relevant Period itself. Therefore, the Company may make an irrevocable election to allow the Shares in the calculation of the gain on a deemed disposal for Taxable Irish Persons to be valued at the later of the previous 30 June or 31 December prior to the date of the deemed disposal rather than at the date of the deemed disposal itself.

Where less than 10% of the Net Asset Value of Shares in the Company is held by Taxable Irish Persons, the Company may elect not to apply a withholding tax to a deemed disposal of Shares in the Company and will advise the Irish Revenue Commissioners of this election. Shareholders who are Taxable Irish Persons will therefore be required to return any gain and account for appropriate tax on the deemed disposal directly to the Irish Revenue Commissioners on a self-assessment basis. Shareholders should contact the Company to ascertain whether the Company has made such an

election in order to establish their responsibility to account to the Irish Revenue Commissioners for any relevant tax.

Where tax arises on the ending of a Relevant Period, such tax will be allowed as a credit against tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares. However, where less than 15% of the Net Asset Value of the Shares in the Company is held by Taxable Irish Persons, the Company may elect not to repay Shareholders any overpaid tax and as such Shareholders must obtain a repayment of any overpaid tax directly from the Irish Revenue Commissioners. Shareholders should contact the Company to ascertain whether the Company has made such an election in order to establish whether they must seek a repayment of any overpaid tax directly from the Irish Revenue Commissioners.

Anti avoidance measures apply in the case of certain investments by individuals in investment undertakings (such as the Company). If the investment undertaking is regarded as a PPIU then any payment to such a shareholder will be taxed at a rate of 60%. It is a matter of fact whether or not the shareholder or a connected person has a right of selection as envisaged in the anti avoidance measures. Further penalties of tax can apply were tax returns in relation to distributions from a PPIU are incorrectly made by a shareholder.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is an investment undertaking (within the meaning of Section 739B of the Taxes Act) beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

Please see the "Shareholders" section below dealing with the tax consequences for the Company and the Shareholders of chargeable events in respect of: -

- Shareholders who are neither Irish Resident nor Irish Ordinary Resident; and
- Shareholders who are either Irish Resident or Irish Ordinary Resident.

## **Shareholders**

### **(i) Shareholders who are neither Irish Resident nor Irish Ordinary Resident**

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Irish Ordinary Resident, (b) the Shareholder has made a Relevant Declaration and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. Alternatively, no tax is required to be deducted if Equivalent Measures apply to the Company. In the absence of a Relevant Declaration or the Irish Revenue Commissioners approval referred to above, tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Irish Ordinary Resident. The appropriate tax that will be deducted is as described in paragraph (ii) below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Residents nor Irish Ordinary Residents, no tax will have to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of its

Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation does not provide for a refund of tax. Refunds of tax will only be permitted in the following circumstances:

- i. The appropriate tax has been correctly returned by the Company and within one year of making of the return the Company can prove to the satisfaction of the Irish Revenue Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the Company.
- ii. Where a claim is made for a refund of Irish tax under Section 189, 189A and 192 of the Taxes Act (relieving provisions relating to incapacitated persons, trusts in relation thereto and persons incapacitated as a result of drugs containing thalidomide) the income received will be treated as net income chargeable to tax under Case III of Schedule D from which tax has been deducted.

**(ii) Shareholders who are Irish Resident or Irish Ordinary Resident**

Unless a Shareholder is an Exempted Irish Investor, makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct or unless the Shares are held by the Courts Service, tax at the rate of 41% will be required to be deducted by the Company from distributions and other chargeable events in relation to a Shareholder who is Irish Resident or Irish Ordinary Resident. Tax at a rate of 25% will have to be deducted by the Company on distributions and other chargeable events in relation to Shareholders who are companies which have made the required declaration.

There are a number of Irish Residents and Irish Ordinary Residents who are exempted from the provisions of the above regime once Relevant Declarations are in place. These are Exempted Irish Investors.

Irish Resident corporate Shareholders who receive distributions from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at a rate of 25% has been deducted. In general, such Shareholders will not be subject to further Irish tax on any other payments received in respect of their shareholding from which tax has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company. In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by the Shareholder on the disposal of his/her Shares, such Shareholder may be liable to capital gains tax in the year of assessment in which the Shares are disposed of.

Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution or a gain on an encashment, redemption, cancellation or transfer from which tax has not been deducted by the Company may be liable to income tax or corporation tax on the amount of the gain. Any other Shareholder who is Irish Resident or Irish Ordinary Resident and receives any other distributions or a gain on an encashment, redemption cancellation or transfer from which tax has not been deducted by the Company may be liable to income tax or corporation tax on the amount of the gain.

**(iii) Irish Courts Service**

Where Shares are held by the Courts Service no tax is deducted by the Company on payments made to the Courts Service. Where money under the control or subject to the order of the Court Service is applied to acquire Shares in the Company, the Courts Service assumes, in respect of

those Shares acquired, the responsibilities of the Company with regard to, inter alia, deduction of tax in respect of chargeable events, filing returns and collection of the tax.

In addition, the Courts Service must make, in respect of each year of assessment, on or before 28 February in the year following the year of assessment, a return to the Irish Revenue Commissioners which:

- (a) specifies the total amount of gains arising to the investment undertaking in respect of the Shares acquired; and
- (b) specifies in respect of each person who is or was beneficially entitled to those Shares:
  - where available, the name and address of the person,
  - the amount of total gains to which the person has beneficial entitlement, and
  - such other information as the Irish Revenue Commissioners may require.

### **Capital Acquisitions Tax**

The disposal of Shares will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax), provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Act) and that: (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland; (b) at the date of the disposition, the Shareholder disposing of the Shares is neither domiciled nor ordinarily resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

### **Stamp Duty**

Generally, no stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or property.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

No stamp duty will arise on reconstructions or amalgamations of investment undertakings under Section 739H of the Taxes Act, provided the reconstructions or amalgamations are undertaken for bona fide commercial purposes and not for the avoidance of tax.

### **Foreign Account Tax Compliance Act ("FATCA")**

The Hiring Incentives to Restore Employment Act was signed into US law on 18 March 2010 and includes foreign account tax compliance provisions generally known as "FATCA". The thrust of these provisions is that details of US investors holding assets outside the US will be reported by financial institutions to the US Internal Revenue Services ("IRS") as a safeguard against US tax evasion. To discourage non-US financial institutions from staying outside this regime, FATCA provides that US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. This regime is effective from 1 July 2014 and withholding may be imposed after 1 July 2014. The basic terms of FATCA appear to include the Company as a 'Financial Institution', such that, in order to comply, the Company may require all Shareholders to provide mandatory documentary evidence of their tax residence.

The US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US governments signed an intergovernmental agreement ("Irish IGA") on 21 December 2012.

The Irish IGA is intended to reduce the FATCA compliance burden for Irish financial institutions by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish financial institution (unless the financial institution is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the IRS.

Accordingly, in order to comply with its FATCA obligations, the Company may require investors to provide the Company with information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the Company. Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own particular circumstances.

Although the Company will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Company pursuant to FATCA, no assurance can be given that the Company will be able to satisfy these obligations. If the Company suffers a withholding tax as a result of FATCA, the return of all investors may be materially affected.

Prospective investors should consult with their tax advisers regarding the possible implications of FATCA on their investment in the Company.

Each investor agrees to provide the Company with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA.

### **The Common Reporting Standards ("CRS")**

The CRS is a new, single global standard on Automatic Exchange of Information ("AEOI"). It was approved by the Organisation for Economic Co-operation and Development ("OECD") in February 2014 and draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non resident investors. The CRS was effective in Ireland from 1 January 2016. The Company is required to provide certain information to the Irish Revenue Commissioners about non-Irish tax resident Shareholders (which information will in turn be provided to the relevant tax authorities). It should also be noted the CRS replaces the EU Taxation on Savings Directive.

#### ***Data protection notice - collection and exchange of information under the CRS***

For the purposes of complying with its obligations under the CRS as implemented in Irish law and to avoid the imposition of financial penalties thereunder, the Company may be required to collect certain information in respect of each non-Irish resident Shareholder (and the direct and indirect individual beneficial owners of the Shares (if any)) and, to the extent required pursuant to the CRS, to annually report such information to the Irish Revenue Commissioners.

Such information includes the name, address, jurisdiction of residence, tax identification number (TIN), date and place of birth (as appropriate) of the non-Irish resident Shareholder and (if relevant) the direct or indirect beneficial owners of the Shares; the "account number" and the "account balance" or value at the end of each calendar year; and the gross amount paid or credited to the Shareholder during the calendar year (including aggregate redemption payments).

Such information in relation to all non-Irish resident Shareholders will in turn be exchanged, in a secure manner, by the Irish Revenue Commissioners with the tax authorities of other relevant participating jurisdictions under the CRS in accordance with the requirements of (and solely for the purposes of compliance with) the CRS.

Each investor agrees to provide the Company with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under CRS.

Further information in relation to the CRS can be found on the AEOI ("Automatic Exchange of Information") webpage on [www.revenue.ie](http://www.revenue.ie).

## **United Kingdom Taxation**

### **THE COMPANY**

#### **General**

The taxation of income and capital gains of the Company and Shareholders is subject to the fiscal law and practice of Ireland, any jurisdiction in which the Company makes investments and of the jurisdictions in which Shareholders are resident or otherwise subject to tax.

The below summary is only intended as a brief and general guide to the main aspects of current UK tax law and HM Revenue & Customs ("HMRC") practice applicable to the holding and disposal of Shares in the Company (which may change in the future). It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. The summary is not exhaustive and does not generally consider tax reliefs or exemptions. Any prospective Shareholder who is in any doubt on the implications of making an investment in, holding or disposing of Shares and the receipt of distributions (whether or not on redemption) with respect to such Shares under the laws of the countries in which they are liable to taxation should consult his UK professional advisor.

It is addressed to ordinary investors who are absolute beneficial owners of Shares held as investments and not, therefore, to special classes of Shareholder such as financial institutions. Accordingly, its applicability will depend upon the particular circumstances of the relevant Shareholder. In particular certain classes of investors will be subject to specific rules in the UK and their position is not separately covered here and it does not cover UK Shareholders who are tax exempt or subject to special taxation regimes.

This summary is based on the taxation law in force and practice understood to be applicable at the date of this Prospectus but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change.

#### **Taxation of the Company**

It is the intention of the Directors, so far as they are able, to conduct the affairs of the Company in such a way that it does not become resident in the UK for UK tax purposes. Accordingly and provided the Company's activities do not amount to trading through a permanent establishment for UK tax purposes, the Company will not be subject to UK corporation tax on its income and capital gains. However, no assurance can be given that this intention will be achieved. Neither the Company nor the Directors accept any responsibility for any taxes incurred by the Company or by any Shareholder as a result of the Company being UK resident or of its activities amounting to trading in the UK for whatever reason.

### **THE SHAREHOLDERS**

#### **Taxes on income**

The Shares of the Company shall be widely available. The Directors confirm that the intended categories of investors are not "restricted" for the purposes of the Offshore Fund (Tax) Regulations 2009. It is intended that Shares shall be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those categories of investors.

Subject to their personal circumstances, Shareholders resident in the UK for taxation purposes will be liable to UK income tax or corporation tax in respect of dividends or other distributions of income by the Company, whether or not such distributions are reinvested and also on amounts of reported income ("reported income" is explained in detail under the heading "Taxes on capital gains" below) to the extent this exceeds any dividends received. In addition, they may be liable to UK income tax or corporation tax on any equalisation payment received which represents accrued income forming part of the proceeds of redemption. The Company intends to operate equalisation arrangements.

Accordingly, the first distribution or accumulation of income after Shares are issued may include an amount reflecting accrued income included in the issue price. This amount is treated as a return of capital for UK tax purposes and would not generally be subject to tax as income. The amount of the equalisation payment must be deducted from the original purchase cost of the relevant Shares in computing the allowable cost of these Shares for UK capital gains purposes.

UK resident individuals receive a dividend tax allowance of £5,000 taxed at 0%. From April 2018, the dividend allowance will reduce from £5,000 to £2,000. Any dividend income above £5,000 is now subject to income tax on foreign dividends at rates of 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. Modified rules, which are not discussed in this summary, apply to UK resident Shareholders who are individuals not domiciled within the UK.

When any UK corporate Shareholders which are within the charge to UK corporation tax receive dividends from the Company, the dividend is likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax to the extent that the Shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes. If none of the exemptions apply, the dividends will be subject to the standard corporation tax rate.

#### *Bond Funds*

Where a Fund holds more than 60% of its assets in interest bearing (or similar) form, any distribution or reported income will be treated as interest in the hands of the United Kingdom income tax payer. Such a Fund is widely referred to as a Bond Fund (although the term does not feature in tax legislation). This means that no the relevant tax rates will be those applying to interest. Special rules apply to Bond Fund Shareholders within the charge to corporation tax. These are discussed in the “Shares treated as loan relationship” section below.

#### **Taxes on capital gains**

As the Company is a collective investment scheme it is expected to be a mutual fund constituted by a body corporate outside the UK for the purposes of the UK’s “offshore funds” provisions. Each Fund and each class of Shares of the Company will be treated as a separate offshore fund for these purposes.

Gains on the disposal or deemed disposal (including a switch between sub-funds) and redemptions of an interest in a collective investment scheme that constitutes an offshore fund will generally be taxed as if they were income (rather than capital gains), unless the fund is certified by HMRC as a “reporting fund” at all relevant times (that is the fund needs to be a reporting fund for all periods in which the UK Shareholders have any interests). Holdings of Shares in the Company are expected to constitute an interest in an offshore fund for the purposes of the offshore funds rules. Where the offshore fund has been certified as a “reporting fund”, Shareholders who are resident in the UK for tax purposes (other than persons who are dealing in the Shares who are subject to different rules) will generally, unless otherwise exempt from tax be liable to UK capital gains tax on gains arising on the disposal or deemed disposal or redemption of their Shares unless the Company fails the “qualifying investments test” (please see further below under the heading “Shares treated as loan relationship”).

In broad terms, a “reporting fund” is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its shareholders. Under the reporting rules, relevant classes of shares obtain reporting fund status using a “once off” up-front approval mechanism which includes an undertaking to provide annual reporting of fund income returns to relevant investors. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-share basis to all relevant shareholders (as defined for these purposes). UK shareholders who hold their interests at the end of the reporting period, to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK shareholders on the date the report is issued by the directors of the offshore fund, provided the report is issued within 6 months of the end of the financial year of the fund. Once reporting fund status



is obtained from HMRC for the relevant classes, it will remain in place permanently provided the annual requirements are satisfied.

The current reporting fund status of existing Funds and classes of Shares can be viewed at [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com).

Chargeable gains arising on disposals of capital assets by UK resident individuals will be tax free if they fall within an individual's annual capital gains exemption. For the tax year 2017/18, the first £11,300 of an individual's chargeable gains (that is after deduction of allowable losses) from all sources will, therefore, be exempt from capital gains tax. Gains in excess of this amount will be subject to capital gains tax at the rate of 10% for basic rate taxpayers or 20% to the extent an individual taxpayer's total taxable income and gains exceeds the upper limit for the income tax basic rate band (currently £31,500 for the tax year 2017/18).

Corporate Shareholders will be subject to corporation tax on chargeable gains. The main rate of corporation tax is currently 19% for the financial year commencing 1 April 2017 but decreasing to 17% by 1 April 2020.

#### *Shares treated as loan relationship*

Special rules apply to Shareholders within the charge to corporation tax, which in certain circumstances could result in their Shares being treated for the purposes of the UK's corporate debt rules as rights under a creditor relationship of the Shareholder. If at any time in an accounting period a person within the charge to United Kingdom corporation tax holds an interest in an offshore fund within the meaning of the relevant United Kingdom legislation and there is a time in that period when that fund fails to satisfy the "qualifying investments test", the holding of shares in the fund will be treated as a loan relationship for United Kingdom Corporation Tax purposes. A Fund will be deemed to have failed the "qualifying investments test" if the Company invests more than 60 per cent of its assets in government and corporate debt securities or as cash on deposit or in certain derivative contracts or in other non-qualifying collective investment schemes. The test is applied to the Company as a whole and not in respect of individual Funds. Where the Shares are treated as falling within the loan relationships regime all returns on the Shares in respect of a relevant Shareholder's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value" basis. Accordingly, such a Shareholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

#### **Inheritance tax**

A gift of Shares or the death of a holder of Shares may give rise to a liability to UK inheritance tax. For these purposes, a transfer of assets at less than their full market value may be treated as a gift. However, an individual who is not domiciled in the UK and who is not deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK, is not generally within the scope of inheritance tax as respects assets situated outside the UK. Shares in the Company should constitute assets situated outside the UK for inheritance tax purposes.

#### **Stamp Duty Reserve Tax ("SDRT")**

Stamp duty reserve tax (or stamp duty) at the rate of 0.5% will be payable by the Company on the acquisition by the Company of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom for the purpose of subsequent subscriptions for shares and may arise on the transfer of such Investments to Shareholders on a non-pro rata in specie redemption of Shares.

Because the Company is not incorporated in the United Kingdom and the register of holders of Shares will be kept outside the United Kingdom, no liability to stamp duty reserve tax will arise by reason of the transfer, subscription for or redemption of Shares except as stated above. Liability to stamp duty will not arise provided that any instrument in writing transferring Shares is executed and retained at all times outside the United Kingdom.

## **Anti-avoidance provisions**

The attention of Shareholders who are individuals resident in the UK is drawn to the provisions contained in Chapter 2 (Transfer of assets abroad) of Part 13 of the Income Tax Act 2007. These provisions prevent avoidance of UK income tax by such individuals through transactions (which could include acquiring Shares in the Company) resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the United Kingdom. These provisions may render such individuals liable to UK income tax on an annual basis in respect of income and profits of the Company not distributed to them. This legislation is not directed towards the taxation of capital gains. In addition, these provisions will not apply if any relevant Shareholder can satisfy HMRC that the transaction is considered to be a genuine transaction and the individual's liability to tax would contravene EU treaty freedoms.

The attention of Shareholders who are resident in the UK (and who, if individuals, are domiciled in the UK) is also drawn to section 13 of the Taxation of Chargeable Gains Act 1992. This section could be material to any such person whose proportionate interest in the Company (whether as a Shareholder or otherwise as a "participator" for United Kingdom taxation purposes) when aggregated with that of persons connected with that person is 25%, or greater, if, at the same time, the Company is itself controlled in such manner that, were it to be resident in the United Kingdom for taxation purposes, it would be a "close" company for those purposes. The provisions of this section, if applied, will have the effect of making such individual Shareholders liable to UK capital gains tax (or, in the case of Shareholders that are companies, corporation tax on chargeable gains) on an apportioned part of any capital gains accruing to the Company as if it had accrued to that Shareholder directly. This rule should only apply where either the holding or disposal of the asset formed part of arrangements of which one of the main purposes was the avoidance of capital gains tax or corporation tax.

The provisions concerning controlled foreign companies ("CFCs"), set out in Part 9A of the Taxation (International and Other Provisions) Act 2010, impose a charge to tax on chargeable profits, affecting any UK resident company with an interest of 25% or more (including the interests of associated or connected persons) in the profits of a non-UK resident company provided no statutory exemptions apply. Where a CFC's profits fall within certain "gateway" provisions (and are not otherwise excluded by any exemption) they will be apportioned to UK participators. This charge may be reduced by a credit for any foreign tax attributable to the relevant profits and by the offset of UK reliefs. UK resident companies holding a right to 25% or more of the profits of the Company (directly or indirectly) are advised to seek their own specific professional taxation advice in relation to whether and how these rules might affect their proposed investment in the Company. The legislation is not directed towards the taxation of capital gains.

## **German Taxation**

The information provided in this section is not exhaustive and does not constitute legal or tax advice. This information does not constitute a complete analysis of all tax considerations and is limited to certain aspects of current German tax law and practice, which may not apply to certain classes of investors.

### **Investment fund tax regime from 1 January 2018**

On 1 January 2018 the new German Investment Tax Act (GITA 2018) will become effective. The new tax regime distinguishes between "investment funds" as defined in section 1 paragraph 2 of the GITA 2018 and "special-investment funds" as defined in section 26 of the GITA 2018 (the latter meaning investment funds that have to fulfil certain requirements and are eligible for investment by institutional / corporate investors only). All of the Funds will be treated as "investment funds" pursuant to the GITA 2018 and will not therefore be subject to the "special-investment funds" tax regime.

The following description of the new regime therefore relates exclusively to the rules applicable to "investment funds", as defined under the GITA 2018.

The GITA 2018 will modify taxation rules at both fund level and shareholder level, as further described below.

## Funds

From 1 January 2018 domestic German and non-German funds will be taxed at fund level with respect to certain German source income, including German dividend income and German real estate income. In the case of German dividend income, German tax will be withheld at source.

For investment funds that are in possession of a valid fund status certificate the tax rate to be applied will be 15% (including a 5.5% solidarity surcharge). Those Funds having exposure to German assets will apply for the fund status certificate.

## Shareholders

For the purposes of investor taxation, the GITA 2018 provides for a "fictitious" disposal of the shares of investment funds on 31 December 2017 and for their reacquisition on 1 January 2018. The taxation of capital gains arising from this "fictitious" disposal will be deferred, free of interest, until the shares are ultimately redeemed. These capital gains will be subject to taxation based on the taxation principles applicable up to 31 December 2017. Any appreciation in the value of the relevant shares from 1 January 2018 will also be subject to tax pursuant to the GITA 2018.

Capital gains derived from the aforementioned "fictitious" disposal of shares acquired before 1 January 2009 ("Grandfathered Shares") and held by private investors (i.e. natural persons) will not be subject to tax under the GITA 2018 and any appreciation in the value of the Grandfathered Shares after 31 December 2017 will only be subject to tax if that appreciation in value exceeds €100,000.

Under the GITA 2018 Shareholders are, in principle, taxed on a cash flow basis ("opaque taxation"). Taxable events include the receipt of distributions and the realisation of capital gains upon redemption of shares ("Taxable Events"). In addition, an annual taxation known as the "*Vorabpauschalen*" will be applied unless certain exemptions apply.

All Taxable Events are subject to capital income withholding tax of 25% (plus a solidarity surcharge and church tax, if applicable) at the level of the private investor. In the case of business investors (i.e. those subject to the German Income Tax Act and those subject to the German Corporate Income Tax Act) the personal or the corporate tax rate applies.

Shareholders of the Funds may benefit from a partial tax exemption on all income (i.e. distributions, capital gains upon disposal/redemption of Shares and capital gains arising from the "fictitious" disposal of Shares referred to above) depending on the categorisation of the relevant Fund (i.e. as either an "equity fund" or a "mixed fund") under the GITA 2018.

The current partial tax exemption rates are set out in the following table:

	Private investor	Shares held by businesses being investors with beneficial owners private	Corporate investors
Equity fund	30%	60%	80%
Mixed fund	15%	30%	40%

Additionally, where an investor in an "equity fund" or in a "mixed fund" is subject to German trade tax, such investor will be able to additionally avail of a partial tax exemption from its liability to German trade tax equivalent to half of the applicable rate specified in the table above.

### *Fund categorisations*

The categorisation of a Fund as an "equity fund" or a "mixed fund" pursuant to the GITA 2018 will depend on whether the Fund meets applicable equity investment thresholds.

The Lazard European Alternative Fund currently qualifies as a "mixed fund" pursuant to the GITA 2018 and details of this Fund's minimum level of equity investment (as will be confirmed in the Supplement for the Fund), together with its daily equity ratio, will be provided to WM Datenservice.

Currently no Funds qualify as "equity funds" pursuant to the GITA 2018 and no Funds other than the Lazard European Alternative Fund qualify as "mixed funds" pursuant to the GITA 2018. In the event that any other Fund intends to qualify for "equity fund" or "mixed fund" status under the GITA 2018 in the future, the Supplement for that Fund will be updated accordingly and details of the minimum level of equity investment by the relevant Fund (as will be confirmed in its Supplement), together with its daily equity ratio, will be provided to WM Datenservice.

In cases where the Supplement for a Fund does not include the specific disclosures required in order to identify that Fund as either an "equity fund" or a "mixed fund" for the purposes of the GITA 2018, but where in practice that Fund has continuously complied throughout the fiscal year of the Fund with the investment thresholds applicable for categorisation as either an "equity fund" or a "mixed fund" for these purposes, a retroactive confirmation of the Fund's categorisation as either an "equity fund" or a "mixed fund", as applicable, will be provided on the website [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com) following that fiscal year end, in order to allow relevant Shareholders to avail of the applicable partial tax exemption rates referred to above. However, fund categorisations confirmed retroactively in this manner cannot be relied upon as an indicator of a Fund's future categorisation for the purposes of the GITA 2018.

The German custody bank of the investor will be responsible for the correct withholding of taxes the investor is liable for. For the purpose of investor taxation, the Manager intends to make commercially reasonable efforts to provide all relevant information for the taxation of the investor under the GITA 2018 via reporting to WM Datenservice. To facilitate the filing of relevant tax returns by Shareholders who do not hold their Shares in a German custody bank, the Manager intends to make commercially reasonable efforts to provide all relevant information for the purposes of investor taxation under the GITA 2018 via [www.lazardassetmanagement.com](http://www.lazardassetmanagement.com).

## **Tax Risk**

The legal and fiscal treatment of the Funds by the German tax authorities may change in ways that are unforeseeable and beyond the reasonable control of the Company.

For example, where the German tax authorities undertake field audits in respect of any of the Funds, this may give rise to a re-categorisation of the relevant Fund(s) for the purposes of the GITA 2018, which could impact the historic and future taxation of Shareholders of any such Fund(s) in an unfavourable way. Additionally, changes to the investment policy of a Fund might lead to such a re-categorisation.

Any such re-categorisation would result in a "fictitious" redemption of the Shares of the relevant Fund(s), deemed to have taken place on the day on which the investments of the Fund(s) fell below the applicable investment threshold (i.e. to either an "equity fund" or a "mixed fund" pursuant to the GITA 2018, as relevant) (the "Breach Event") and reacquisition of the Shares in the Fund(s) on the following day. The "fictitious" gain would be deferred free of interest until redemption of the Shares by the Shareholder and the tax treatment applicable to the fund category for which the Fund qualified before the Breach Event occurred would be applied. Income derived from the "fictitiously" acquired Shares would then be taxed based on the tax treatment applicable to the fund category for which the Fund qualified after the Breach Event occurred.

## STATUTORY AND GENERAL INFORMATION

### 1. Incorporation, Registered Office and Share Capital

- (a) The Company was incorporated in Ireland under its name Lazard Global Investment Funds plc on 3 February 2009 as an investment company with variable capital, segregated liability between its Funds and with limited liability under registration number 467074.
- (b) The registered office of the Company is currently at 6<sup>th</sup> Floor, 2 Grand Canal Square, Dublin 2, D02 A342 Ireland.
- (c) The authorised share capital of the Company is two Subscriber Shares of Stg £1.00 each and 5,000,000,000,000 Shares of no par value. The two Subscriber Shares are held by the Manager and the Promoter.
- (d) Neither the subscriber shares nor the Shares carry pre-emption rights.

### 2. Share Rights

The holders of Shares shall:

- (a) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per whole Share;
- (b) be entitled to such dividends as the Directors may from time to time declare;
- (c) in the event of a winding up or dissolution of the Company, have the entitlements referred to under "Distribution of Assets on a Liquidation" below; and
- (d) the holders of Subscriber Shares shall not be entitled to any dividend whatsoever in respect of their holding of Subscriber Shares.

### 3. Voting Rights

This is dealt with under the rights attaching to the Shares referred to at 2 above. Shareholders who are individuals may attend and vote at general meetings in person or by proxy. Shareholders who are corporations may attend and vote at general meetings by appointing a representative or proxy.

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every Share held.

To be passed, ordinary resolutions of the Company in a general meeting will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the Shareholders present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to pass a special resolution including a resolution to (i) rescind, alter or amend an Article or make a new Article and (ii) wind up the Company.

### 4. Memorandum

The Memorandum of the Company provides that the sole object for which the Company is established is the collective investment in transferable securities and/or other liquid financial assets referred to in the Regulations, of capital raised from the public and which operates on

the principle of spreading investment risk in accordance with the Regulations. The object of the Company is set out in full at Clause 3 of the Memorandum which is available for inspection at the registered office of the Company.

## 5. Articles

The following section is a summary of the principal provisions of the Articles of the Company not previously summarised in this Prospectus.

### Alteration of share capital

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its Shares or any of them into Shares of a larger amount, sub-divide its Shares or any of them into shares of a smaller amount, or cancel any Shares not taken or agreed to be taken by any person. The Company may also by special resolution from time to time reduce its share capital in any way permitted by law.

### Issue of Shares

The Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Act) allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the Company.

### Variation of rights

Whenever the share capital is divided into different classes of Shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of three quarters of the issued and outstanding Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of Shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding Shares issued in that class (and at the adjourned meeting the necessary quorum shall be one person holding Shares of that class or his proxy).

The special rights attaching to any Shares of any class shall not (unless the conditions of issue of such class of Shares expressly provide otherwise) be deemed to be varied by the creation or issue of other Shares ranking *pari passu* therewith.

### Directors

- (a) Each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine (see the section headed "Fees and Expenses" above in relation to Directors' fees).
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company on such terms as the Directors may determine.
- (c) Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
  - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof;
  - (ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and

- (iii) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- (d) A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. A Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including any proposal concerning any other company in which he is interested, directly or indirectly provided that he is not the holder of or beneficially interested in 10% or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).
- (e) There is no provision in the Articles requiring a Director to retire by rotation or by reason of any age limit and no share qualification for Directors.
- (f) The number of Directors shall not be less than two provided that a majority of Directors shall not be resident in the United Kingdom.
- (g) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two provided that if a majority of the Directors present are resident in the United Kingdom the Directors present, irrespective of their number shall not constitute a quorum.
- (h) The office of a Director shall be vacated in any of the following circumstances, if:
  - (i) he ceases to be a Director by virtue of any provisions of the Act or becomes prohibited by law from being a Director;
  - (ii) the Central Bank has issued a prohibition notice in respect of such Director;
  - (iii) he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
  - (iv) in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - (v) he resigns from his office by notice to the Company;
  - (vi) he is convicted of an indictable offence and the Directors determine that as a result of such conviction he should cease to be a Director;
  - (vii) a majority of the Directors are satisfied on reasonable grounds that he no longer complies with any standards of fitness and probity in a code issued by the Central Bank from time to time;
  - (viii) by a resolution of his co-Directors he is requested to vacate office;
  - (ix) the Company by ordinary resolution so determines;
  - (x) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office; or
  - (xi) subsequent to his appointment he becomes resident in the United Kingdom and as a result thereof a majority of the Directors are resident in the United Kingdom.

A Director shall comply immediately with any suspension notice issued by the Central Bank in respect of such Director and shall accordingly cease performing any or all of the functions of his office as may be specified in the notice. For so long as a suspension notice is in force, any Director, the subject of such notice, shall not attend any meetings of the Directors and shall not be counted in the quorum thereat.

The Company may also, as a separate power, in accordance with and subject to the provisions of the Act, by ordinary resolution of the Shareholders, remove any Director (including a Managing Director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Articles or in any agreement between the Company and any such Director.

#### Borrowing powers

The Directors may exercise all the powers of the Company to borrow or raise money (including the power to borrow for the purpose of repurchasing Shares) and to hypothecate, mortgage, charge or pledge its undertaking, property and assets or any part thereof, but only in accordance with the provisions of the Regulations.

#### Dividends

No dividends are payable on the Subscriber Shares.

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends on a class or classes of Shares, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve and, in any event, on the winding up of the Company or on the total redemption of Shares, any dividend which has remained unclaimed for six years shall be forfeited and become the property of the Company.

#### Distribution of assets on a liquidation

- (a) If the Company shall be wound up, the liquidator shall, subject to the provisions of the Act, apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (b) The assets available for distribution among the members shall then be applied in the following priority:
  - (i) firstly, in the payment to the Shareholders of each class of a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal of such class (at the prevailing rate of exchange) to the Net Asset Value of the Shares held by such Shareholders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had to the assets of the Company (if any) not comprised within any of the Funds and not (save as provided in the Act) to the assets comprised within any of the Funds;
  - (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub-paragraph (b)(i) above. In the event that there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - (iii) thirdly, in the payment to the holders of each class of Shares of any balance remaining in the relevant Fund, such payment being made in proportion to the numbers of Shares held;



- (iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds such payment being made in proportion to the Net Asset Value of each Fund and within each Fund to the Net Asset Value of each class and in proportion to the number of Shares held in each class;

### Indemnities

The Directors (including alternates), Secretary and other officers of the Company shall be indemnified by the Company against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of negligence or wilful misconduct).

### The assets of the Company and the calculation of the Net Asset Value of the Shares

- (a) The Net Asset Value of a Fund shall be determined (except in the case of suspension) as at each Valuation Point and shall be the value of all the assets comprised in a Fund less all the liabilities attributable to the Fund calculated in accordance with the Regulations.
- (b) The assets of the Company shall be deemed to include (i) all cash in hand, on deposit, or on call including any interest accrued thereon and all accounts receivable; (ii) all bills, demand notes, certificates of deposit and promissory notes; (iii) all bonds, forward currency transactions, shares, stock, units of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, contracts for difference, fixed rate securities, floating rate securities, securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for in respect of the Company; (iv) all stock and cash dividends and cash distributions to be received in respect of the Company and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the net asset value is being determined; (v) all subscription payments due but not yet received by the Company; (vi) all interest accrued on any interest-bearing securities attributed to the Company except to the extent that the same is included or reflected in, the principal value of such security; (vii) all other Investments of the Company; (viii) the establishment costs attributable to the Company and the cost of issuing and distributing Shares of the Company in so far as the same have not been written off; and (ix) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.
- (c) The valuation principles to be used in valuing the Company's assets are as follows:
- (i) the Directors shall be entitled to use the amortised cost method of valuation, whereby Investments are valued at their cost of acquisition adjusted for amortisation of premium or accretion of discount on the Investments rather than at the current market value of the Investments. However, the amortised cost method of valuation may only be used in relation to funds which comply with Central Bank Requirements for money market funds and where a review of the amortised cost valuation vis-à-vis the market valuation is carried out in accordance with the Central Bank's guidelines. Money market instruments in a non-money market fund may be valued on an amortised basis, in accordance with Central Bank Requirements;
- (ii) the value of any Investment which is quoted, listed or normally dealt in on a Regulated Market, including units or shares in exchange-traded funds, shall (save in the specific cases set out in paragraph (i) above or in the relevant paragraphs below) be based on the last traded price where the Investment in question is an equity security and, where the Investment in questions is not an equity security on the closing mid-market price on such Regulated Market as at the Valuation Point (or the last traded price when no closing mid-market price is available), provided that:
- A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, in their absolute discretion select any one of such markets for the foregoing purposes (provided that the Directors

have determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such Investment) and once selected a market shall be used for future calculations of the Net Asset Value of that Investment unless the Directors otherwise determine;

- B. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which, for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary); and
  - C. in the case of any Investment which is quoted, listed or normally dealt in or on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant Regulated Market, the Investment may be valued taking into account the level of premium or discount at the date of the valuation. The Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the Investment;
- (iii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value therefor estimated with care and good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary);
  - (iv) the value of any Investment which is a share of, unit of or participation in an open-ended collective investment scheme shall be the latest available net asset value for the Investment as published by the collective investment scheme in question or, where such Investment is quoted, listed or dealt in on a Regulated Market, may be a value determined in accordance with the provisions of paragraph (c)(ii) above;
  - (v) the value of any prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;
  - (vi) deposits/cash in hand shall be valued at their principal/face/nominal amount plus accrued interest from the date on which the same were acquired or made;
  - (vii) treasury bills shall be valued at the middle market dealing price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisable value therefor estimated with care and good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary);
  - (viii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the last available mid- market dealing price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
  - (ix) the value of any futures contracts and options (including index futures) which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value thereof

estimated with care and good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary);

- (x) the value of any over-the-counter derivative contracts shall be:
    - A. the quotation from the counterparty provided that such quotation is provided on at least a daily basis and verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Depositary; or
    - B. an alternative valuation as the Directors may determine in accordance with Central Bank Requirements. This may be a valuation that is provided on at least a daily basis by a competent person (which may be the Company or an independent pricing vendor provided that the appointed party has adequate means to perform the valuation) appointed by the Directors and approved for that purpose by the Depositary (or a valuation by any other means provided that the value is approved by the Depositary). The valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation of Securities Commission) and AIMA (the Alternative Investment Management Association) and any such alternative valuation must be reconciled to that of the counterparty on a monthly basis. Where significant differences arise on the monthly reconciliation, these must be promptly investigated and explained;
  - (xi) forward foreign exchange and interest rate swaps contracts may be valued in accordance with the previous paragraph or by reference to freely available market quotations (in which case there is no requirement to have such prices independently verified or reconciled to the counterparty valuation);
  - (xii) notwithstanding any of the foregoing sub-paragraphs, the Directors with the approval of the Depositary may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof;
  - (xiii) if in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide with the approval of the Depositary;
  - (xiv) the Directors may, in order to comply with any applicable accounting standards, present the value of any assets of the Company in financial statements to Shareholders in a manner different to that set out in paragraphs (i) to (xiii) above.
- (d) Any certificate as to Net Asset Value of Shares given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties.

## **6. Money Laundering**

The Directors of the Company, the Manager and the Administrator have a responsibility to regulators for compliance with anti-money laundering regulations around the world and, for that reason, existing Shareholders, potential subscribers for and transferees of Shares may be asked for proof of identity and/or to fulfil other requirements. Until satisfactory proof of identity is provided and/or those requirements are fulfilled, the Directors reserve the right to withhold issuance redemption and approval of transfers of Shares.

In case of delay or failure to provide satisfactory proof of identity, the Company and the Manager may take such action as they see fit including the right to redeem issued Shares compulsorily.

## **7. Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- (a) The Management Agreement. The Management Agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice, although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. The Management Agreement contains provisions regarding the Manager's legal responsibilities and indemnities in favour of the Manager other than for matters arising by reason of its fraud, bad faith, wilful default, recklessness or negligence in the performance of its duties and obligations;
- (b) The Depositary Agreement. The Depositary Agreement provides that the appointment of the Depositary will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Agreement may be terminated forthwith. The Depositary Agreement contains provisions regarding the Depositary's legal responsibilities and indemnities in favour of the Depositary excluding in respect of matters arising by reason of the negligence, fraud, bad faith, breach of contract, wilful default or recklessness in the performance of its duties.
- (c) The Administration Agreement. The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by any party giving to the others the relevant period of advanced written notice, although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) the agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains provisions regarding the Administrator's legal responsibilities and indemnities in favour of the Administrator other than for matters arising by reason of the negligence, fraud, bad faith, recklessness or wilful default of the Administrator or its permitted delegates, servants or agents in the performance or non-performance of the Administrator's duties or obligations under the Administration Agreement;
- (d) The Promoter and Distributor Agreement. The Promoter and Distributor Agreement provides that the appointment of the Promoter/Distributor will continue in force unless and until terminated by any party giving to the other not less than 90 days' written notice. The Promoter and Distributor Agreement contains provisions regarding the Promoter/Distributor's legal responsibilities and indemnities in favour of the Promoter/Distributor other than for matters arising by reason of its fraud, bad faith, wilful default or negligence in the performance of its duties and obligations;
- (e) The Lazard US IMA. The Lazard US IMA provides that the appointment of Lazard Asset Management LLC will continue in force for an initial 12 months unless and thereafter until terminated by any of the parties giving to the others not less than 3 months' written notice (so as to expire at the end of any calendar month) or such lesser period as the parties may agree in writing although in certain circumstances the agreement may be terminated forthwith by notice in writing by any of the parties to the others. The Lazard US IMA contains provisions regarding Lazard Asset Management LLC's legal responsibilities and indemnities in favour of Lazard Asset Management LLC other than in respect of matters arising by reason of its fraud, bad faith, wilful default or negligence in the performance of its duties and obligations;
- (f) The Lazard Deutschland IMA. The Lazard Deutschland IMA provides that the appointment of Lazard Asset Management (Deutschland) GmbH will continue in force unless and until terminated by any of the parties giving to the others not less than 90

days' written notice although in certain circumstances the Lazard Deutschland IMA may be terminated forthwith by notice in writing from any of the parties to the others.

The Lazard Deutschland IMA contains provisions regarding Lazard Asset Management (Deutschland) GmbH's legal responsibilities and indemnities in favour of Lazard Asset Management (Deutschland) GmbH other than in respect of matters arising by reason of the fraud, bad faith, wilful default, recklessness or negligence of Lazard Asset Management (Deutschland) GmbH, its employees, officers, agents or subcontractors (which, for the avoidance of doubt, shall not include brokers or dealers used by Lazard Asset Management (Deutschland) GmbH).

- (g) The Currency Management Agreement. The Currency Manager has been appointed by the Lazard Asset Management LLC pursuant to the Currency Management Agreement. The Company in consideration for the services to be provided by the Currency Manager to Lazard Asset Management LLC has joined the Currency Management Agreement for the sole purpose of paying the fees of the Currency Manager. The Currency Management Agreement will continue in force until terminated by either Lazard Asset Management LLC or the Currency Manager giving to the other party not less than 60 days' written notice or such lesser period of notice as the parties may agree in writing although in certain circumstances the agreement may be terminated forthwith by notice in writing by any of the parties to the others. The Currency Management Agreement contains provisions regarding the Currency Manager's legal responsibilities and indemnities in favour of the Currency Manager other than in respect of matters arising by reason of its fraud, wilful default or negligence in the performance of its duties and obligations.

## 8. Inspection of Documents

Copies of the following documents may be obtained during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the registered office of the Company in Dublin:

- (a) the Constitution of the Company;
- (b) the Prospectus of the Company; and
- (c) the latest annual and semi-annual reports of the Company (where issued).

The documents listed at (b) and (c) may be obtained, on request free of charge, from the Administrator. The documents listed at (a) may be obtained, on request free of charge, from the registered office of the Company in Dublin.

## 9. Facilities Agent in the United Kingdom

In connection with the Company's recognition under section 264 of FSMA, the Company has appointed Lazard Asset Management Limited as its facilities agent ("**Facilities Agent**") to maintain the facilities required of a recognised collective investment scheme pursuant to the rules contained in the part of the Financial Conduct Authority's Handbook of Rules and Guidance governing recognised collective investment schemes.

The facilities are located at the offices of Lazard Asset Management Limited at 50 Stratton Street, London, W1J 8LL, England. At these facilities, any person may:

- (a) inspect and obtain copies (in English) (free of charge) of:
  - (i) the Constitution of the Company;
  - (ii) the latest version of the Prospectus;
  - (iii) the latest version of the KIIDs; and
  - (iv) the Company's latest annual and half-yearly reports;
- (b) obtain information about the price of Shares; and

- (c) make a complaint about the operation of the Company, which the Facilities Agent will transmit to the Manager.

Further, any Shareholder may redeem or arrange for the redemption of Shares and obtain payment at the offices of the Facilities Agent.

## **10. Complaints Handling Policy**

Shareholders may file a complaint in relation to the Company with the Manager in the official language or one of the official languages of their member state of the European Union.

Shareholders may address written complaints to:

The Designated Person for Complaints Handling  
Lazard Fund Managers (Ireland) Limited  
6th Floor  
2 Grand Canal Square  
Dublin 2  
Ireland

Shareholders may file their complaints with the Manager and obtain information regarding the complaints handling procedures free of charge and on request.

Shareholders have the right to refer any complaint to the Central Bank and the Financial Services Ombudsman. The contact details of the Financial Services Ombudsman are:

Address: 3<sup>rd</sup> Floor, Lincoln House, Lincoln Place, Dublin 2, D02 VH29  
Telephone: 1890 88 20 90  
Email: [enquiries@financialombudsman.ie](mailto:enquiries@financialombudsman.ie)

## APPENDIX I

### Stock Exchanges and Regulated Markets

With the exception of permitted investment in unlisted securities investment will be restricted to those stock exchanges and markets listed below in this Prospectus or in any supplement thereto or revision thereof. These stock exchanges and markets are listed in accordance with the Central Bank UCITS Regulations, it being noted that the Central Bank does not issue a list of approved markets and exchanges.

1. All stock exchanges of the Member States, Australia, Canada, Hong Kong, Iceland, Japan, New Zealand, Norway, Switzerland and the United States.

2. The following stock exchanges:

in Argentina	Bolsa de Comercio de Buenos Aires Mercado Abierto Electronico S.A.
in Bahrain	Bahrain Bourse
in Bangladesh	the Dhaka Stock Exchange Chittagong Stock Exchange Ltd.
in Bermuda	the Bermuda Stock Exchange
in Botswana	the Botswana Stock Exchange
in Brazil	BM&F BOVESPA
in Chile	Bolsa de Comercio de Santiago Bolsa Electronica de Chile Bolsa de Corredores de Valparaiso SA
in China	the Shanghai–Hong Kong Stock Connect the Shanghai Stock Exchange the Shenzhen Stock Exchange
in Colombia	Bolsa de Valores de Colombia
in Croatia	the Zagreb Stock Exchange
in Egypt	the Egyptian Exchange
in Ghana	the Ghana Stock Exchange
in India	the National Stock Exchange of India (NSE) the Bombay Stock Exchange
in Indonesia	the Indonesia Stock Exchange
in Israel	the Tel Aviv Stock Exchange
in Ivory Coast	Bourse Régionale des Valeurs Mobilières
in Jordan	the Amman Stock Exchange
in Kazakhstan	the Kazakhstan Stock Exchange
in Kenya	the Nairobi Securities Exchange

in the Republic of Korea	the Korea Exchange
in Kuwait	the Kuwait Stock Exchange
in Malaysia	Bursa Malaysia Securities Berhad
in Mauritius	the Stock Exchange of Mauritius
in Mexico	Bolsa Mexicana de Valores
in Morocco	Bourse de Casablanca
in Nigeria	the Nigerian Stock Exchange
in Pakistan	Pakistan Stock Exchange Limited
in Peru	Bolsa de Valores de Lima
in Philippines	the Philippines Stock Exchange
in Qatar	the Qatar Exchange
in Russia	Moscow Exchange
in Saudi Arabia	the Saudi Stock Exchange (Tadawul)
In Serbia	The Belgrade Stock Exchange
in Singapore	Singapore Exchange Limited CATALIST
in South Africa	JSE Limited
in Sri Lanka	the Colombo Stock Exchange
in Thailand	the Stock Exchange of Thailand Market for Alternative Investments Bond Electronic Exchange
in Taiwan	the Taiwan Stock Exchange the GreTai Securities Market
in Tunisia	Bourse des Valeurs Mobilieres de Tunis
in Turkey	Borsa Istanbul
in the U.A.E. - Abu Dhabi	the Abu Dhabi Securities Exchange
in the U.A.E. - Dubai	the Dubai Financial Market the Dubai International Financial Centre
in Uruguay	Bolsa de Valores de Montevideo Bolsa Electrónica de Valores del Uruguay SA
in Vietnam	the Ho Chi Minh Stock Exchange the Hanoi Stock Exchange Unlisted Public Companies Market (UPCOM)



in Zambia the Lusaka Stock Exchange

in Zimbabwe the Zimbabwe Stock Exchange

3. The following regulated markets:

- (a) derivative markets approved in a member state of the European Economic Area (“EEA”);
- (b) the Alternative Investment Market regulated and operated by the London Stock Exchange Limited;
- (c) the market in the UK conducted by the “listed money market institutions” as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives markets” (“The Grey Paper”);
- (d) the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable debt instruments);
- (e) NASDAQ (the electronic inter-dealer quotation system of America operated by the Financial Industry Regulatory Authority (FINRA));
- (f) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- (g) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- (h) the market organised by the International Securities Markets Association;
- (i) the over-the-counter markets in the United States regulated by FINRA and the MSRB;
- (j) Moscow Exchange;
- (k) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- (l) the ASX Trade24 (Australia/New Zealand);
- (m) the Chicago Board Options Exchange (CBOE) and the CBOE Futures Exchange;
- (n) the Chicago Mercantile Exchange (CME) and the Chicago Board of Trade (CBOT);
- (o) ELX Futures (USA);
- (p) Eris Exchange (USA);
- (q) International Securities Exchange (USA);
- (r) ICE Futures U.S. (USA);
- (s) the New York Mercantile Exchange (NYMEX);
- (t) the New York Futures Exchange;

- (u) NYSE LIFFE US (USA);
  - (v) the Hong Kong Exchanges and Clearing Limited (HKEx);
  - (w) the Osaka Exchange;
  - (x) the Tokyo Financial Exchange;
  - (y) ICE Futures Singapore;
  - (z) Bursa Malaysia Derivatives Berhad;
  - (aa) Mercado Mexicano de Derivados;
  - (bb) South African Futures Exchange;
  - (cc) Thailand Futures Exchange;
  - (dd) Taiwan Futures Exchange;
  - (ee) Turkish Derivatives Exchange;
  - (ff) the Zimbabwe Derivatives Exchange.
4. For the purposes of investment in FDI, a Fund will only invest in FDI dealt in Regulated Markets in the EEA referred to above or in any of the other non-EEA markets referred to above.
  5. Investment in Russia, if any, will only be made in securities that are listed or traded on the Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS).

The above markets are listed in accordance with regulatory criteria as defined by Central Bank Requirements, it being noted the Central Bank does not issue a list of approved markets or stock exchanges.

## APPENDIX II

### Efficient Portfolio Management Techniques and Instruments and the use of FDI for Direct Investment Purposes

#### A. General

The Company may, on behalf of each Fund and subject to the Regulations and to conditions imposed by the Central Bank, employ techniques and instruments relating to transferable securities and money market instruments. The use of these techniques and instruments should be in line with the best interests of the Fund. The use of these techniques and instruments may be for hedging purposes (to protect an asset of a Fund against, or minimise liability from, fluctuations in market value or foreign currency exposures) or for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Fund provided such transactions are not speculative in nature).

Instruments used for efficient portfolio management may include investments in exchange-traded or OTC FDI, such as futures, currency forwards, index futures, swaps, warrants and rights. Further information in relation to the types, underlying reference assets and commercial purpose of the FDI in which a Fund may invest will be set out in the Supplement for the relevant Fund. A Fund may also invest in FDI for direct investment purposes as part of its investment strategy where such intention is disclosed in the Fund's investment policy. Investment in FDI, whether for direct investment purposes or for efficient portfolio management purposes, must comply with Central Bank Requirements, in addition to complying, where relevant, with the collateral policy set out below under the heading "Collateral Policy". Techniques used for efficient portfolio management include the use of repurchase/reverse repurchase agreements and securities lending as detailed further below.

The Company shall employ a risk management process to enable it to accurately measure, monitor and manage on a continuous basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Fund's portfolio. The Company will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The Company should only invest assets of the relevant fund in FDI if **(a)** the FDI do not expose the Fund to risks which the Fund could not otherwise assume; **(b)** the FDI do not cause the relevant Fund to diverge from its investment objectives as disclosed in this Prospectus and **(c)** the FDI are dealt in on a regulated market or alternatively the conditions in paragraph D. 1 below are satisfied.

Where the Company, on behalf of a relevant fund, enters into a total return swap or invests in other FDI with similar characteristics the assets held by the Company on behalf of the relevant Fund shall comply with Regulations 70 to 74 of the Regulations.

The conditions and limits for the use of FDI in relation to each Fund are as follows:

1. a Fund's global exposure relating to FDI must not exceed its total Net Asset Value;
2. position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in Central Bank Requirements (although this provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank Requirements);
3. a Fund may invest in FDI dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank; and

4. investments in FDI are subject to the conditions and limits laid down by the Central Bank which include cover requirements, calculation of exposure requirements and stress-testing requirements.

## **B. Efficient Portfolio Management - Other Techniques and Instruments**

1. In addition to the investments in FDI noted above, the Company may employ other techniques and instruments relating to transferable securities and money market instruments subject to the conditions and limits set out in Central Bank Requirements. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including FDI which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for a Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Regulations;
- (c) their risks are adequately captured by the risk management process of the Company;  
and
- (d) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

Techniques and instruments (other than FDI) which may be used for efficient portfolio management purposes are set out below and are subject to the conditions set out below.

2. Use of Repurchase/Reverse Repurchase Agreements and Securities Lending ("efficient portfolio management techniques")

*For the purposes of this section, "Relevant Institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.*

**The Company, on behalf of a Fund, does not currently engage in efficient portfolio management techniques nor does it currently engage in any other Securities Financing Transactions.**

To the extent that the Company, on behalf of a Fund, does engage in the use of efficient portfolio management techniques it will be subject to the following provisions:

1. Repurchase/reverse repurchase agreements and securities lending may only be effected in accordance with normal market practice.
2. Any counterparty to a repurchase/reverse repurchase agreement or securities lending arrangement shall be subject to an appropriate internal credit assessment carried out by the Company (or its delegate). Where such counterparty (a) was subject to a credit rating by an agency registered and supervised by the European Securities and Markets Authority ("ESMA") that rating shall be taken into account in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable

rating) by the credit rating agency referred to in (a) this shall result in a new credit assessment being conducted of the counterparty without delay.

3. The Company, on behalf of a Fund, must ensure that it is able at all times to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
4. Where the Company, on behalf of a Fund, enters into a reverse repurchase agreement, it shall ensure that it is able at all times to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the calculation of the Net Asset Value of the relevant Fund.
5. Where the Company, on behalf of a Fund, enters into a repurchase agreement, it shall ensure that it is able at all times to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
6. Fixed-term repurchase or reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
7. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively of the Regulations.
8. The Company, on behalf of a Fund, does not currently engage in efficient portfolio management techniques. To the extent that it does and to the extent that direct and indirect operational costs/fees arising from efficient portfolio management techniques are deducted from the revenue delivered to the Fund (which costs and fees should not include hidden revenue), the Company will disclose in its financial statements the identity of the entity or entities to which the direct and indirect costs and fees are paid, indicating whether or not these are related parties to the Manager or the Depositary.
9. All the revenues arising from efficient portfolio management techniques, net of direct or indirect operational costs, should be returned to the relevant Fund.
10. Any net exposure to a counterparty generated through a securities lending or repurchase agreement, where net exposure means the amount receivable by a Fund less any collateral provided by the relevant Fund, must be taken into account when calculating a Fund's compliance with relevant restrictions on issuer concentration.

### **C. Collateral Policy**

1. All assets received by the Company, on behalf of a Fund, in the context of efficient portfolio management techniques and/or OTC derivative transactions should be considered as collateral and should comply with the collateral policy set out below:
  - (a) Liquidity: collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.
  - (b) Valuation: in accordance with applicable regulatory requirements, collateral received shall be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
  - (c) Issuer credit quality: collateral received should be of high quality. The Company

(or its delegate) shall ensure that:

- i. where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager (or its delegate) in the credit assessment process; and
    - ii. where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in subparagraph (i) immediately above this shall result in a new credit assessment being conducted of the issuer by the Manager (or its delegate) without delay;
  - (d) Correlation: collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Manager to expect that it would not display a high correlation with the performance of the counterparty; and
  - (e) Diversification (asset concentration):
    - i. subject to subparagraph (ii) immediately below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the relevant Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
    - ii. a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, its local authorities, non-Member States or public international bodies of which one or more Member States are members provided such Fund receives securities from at least 6 different issues and securities from any single issue do not account for more than 30% of the relevant Fund's Net Asset Value. The Member States, local authorities, non-Member States or public international bodies issuing or guaranteeing securities that may be accepted as collateral for more than 20% of a Fund's Net Asset Value are identified in paragraph 2.12 of Appendix III.
  - (f) Immediately available: collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
2. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
3. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral may be held by a third party depositary/custodian provided that this depositary/custodian is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.
4. Non-cash collateral cannot be sold, pledged or re-invested.
5. Cash collateral received by a Fund may not be invested other than in the following:
  - i. deposits with Relevant Institutions (as defined above);
  - ii. high-quality government bonds;
  - iii. reverse repurchase agreements provided the transactions are with Relevant Institutions and the Company on behalf of a Fund is able to recall at any time the full amount of cash on an accrued basis; or

- iv. short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (*ref CESR/10-049*).

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or with an entity that is related or connected to the counterparty. Exposures created through the reinvestment of collateral must be taken into account when calculating a Fund's compliance with UCITS restrictions on issuer concentration.

6. Permitted types of collateral

Where the Company, on behalf of a Fund, receives collateral as a result of trading in OTC derivatives or as a result of engaging in efficient portfolio management techniques, the Company intends, subject to the criteria set out at Section C. 1.(a)-(f), above, to accept collateral in the following form:

- (a) cash;
- (b) government and government agency bonds with fixed interest rate payments with a minimum rating of Aaa/AAA by Moody's, Fitch and Standard & Poor's and a maximum maturity, or remaining maturity, of 30 years.

7. Level of collateral required

The value of any collateral received by the Company, adjusted in light of the haircut policy, must be marked to market daily and must equal or exceed, in value, at all times, the value of the amount invested or securities loaned.

8. Haircut Policy

Non-cash collateral received by the Company, on behalf of a Fund, will be subject to a valuation percentage of between 90% to 99% of the value of such collateral in accordance with market standards and depending on the credit quality of the issuer, with the exception of US Treasury STRIPS which will be subject to a valuation percentage of 84%. No haircut will be applied to cash collateral.

Each decision to apply a specific haircut or to refrain from applying a haircut to any specific class of assets will be justified and documented.

9. A Fund receiving collateral for at least 30% of its Net Asset Value should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Manager, on behalf of the Fund, to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (c) reporting frequency and limit/loss tolerance threshold(s); and
- (d) mitigation actions to reduce loss including haircut policy and gap risk protection.

10. Reinvested Cash Collateral Risks

Where the Company, on behalf of a Fund, reinvests cash collateral this will generate market exposure in the expectation of generating capital gain. Where the reinvestment

does not achieve this aim, and, instead the reinvestment generates a loss, the Fund will bear this loss and will be obliged to return to the counterparty the full value of the cash collateral originally invested (rather than the then current value market value of the cash collateral post reinvestment).

#### **D. Eligible Counterparties – OTC Derivatives**

1. The counterparty to an OTC derivative transaction must be one of the following:
  - (a) a credit institution authorised in the European Economic Area (EEA) (Member States, Norway, Iceland, Liechtenstein);
  - (b) a credit institution authorised within a signatory state, other than a member state of the EEA, to the Basel Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States);
  - (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
  - (d) an investment firm, which is authorised in accordance with the Markets in Financial Instruments Directive; or
  - (e) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.
2. Where a counterparty within the meaning of paragraph 1(d) or (e) above:
  - (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process: and
  - (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) immediately above, this shall result in a new credit assessment being conducted of the counterparty without delay.
3. Where an OTC derivative is subject to a novation, the counterparty after the novation must be:
  - (a) an entity that falls within any of the categories set out in paragraphs 1(a) – (e) of this Section D; or
  - (b) a central counterparty that is:
    - (i) authorised or recognised under EMIR; or
    - (ii) pending recognition by ESMA under Article 25 of EMIR, an entity classified:
      - A. by the SEC as a clearing agency: or
      - B. by the Commodity Futures Trading Commission of the United States of America as a derivatives clearing organisation.
4.
  - (a) Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the Regulations, assessed in accordance with subparagraph (b) below.
  - (b) In assessing risk exposure to the counterparty to an OTC derivative for the purpose of Regulation 70(1)(c) of the Regulations:
    - (i) the exposure to the counterparty shall be calculated using the positive mark-to-market value of the OTC derivative with the counterparty;



- (ii) derivative positions with the same counterparty may be netted, provided that the Company, on behalf of the relevant Fund, is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC derivatives with the same counterparty and not in relation to any other exposures the relevant Fund has with the same counterparty;
- (iii) collateral received by the relevant Fund may be taken into account in order to reduce the exposure to the counterparty, provided that the collateral meets with relevant Central Bank Requirements (as set out at Section C. above).

**E. When Issued, Delayed Delivery and Forward Commitment Securities**

The Company may invest in securities on a when-issued, delayed delivery and forward commitment basis and such securities will be taken into consideration in calculating a Fund's investment restriction limits.

## APPENDIX III

### Investment and Borrowing Restrictions

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

<b>1</b>	<b>Permitted Investments</b>
	Investments of each Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in accordance with Central Bank Requirements, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs as set out in the Central Bank's guidance " <i>UCITS Acceptable Investment in other Investment Funds</i> ".
<b>1.6</b>	Deposits with credit institutions as prescribed by Central Bank Requirements.
<b>1.7</b>	FDI as prescribed by Central Bank Requirements.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1 and in accordance with the requirements of the Central Bank.
<b>2.2</b>	Each Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</li> </ul>
<b>2.3</b>	Each Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund. To avail of this provision the prior approval of the Central Bank is required.

<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
<b>2.7</b>	<p>Each Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution.</p> <p>Cash booked in accounts and held as ancillary liquidity must not exceed 10% of the relevant Fund's Net Asset Value but where the cash is booked in an account with the Depositary, this limit may be raised to 20%.</p>
<b>2.8</b>	<p>The risk exposure of each Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
<b>2.9</b>	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of its Net Asset Value:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of the Fund.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of its Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	Each Fund may invest more than 35% and up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.
	<p>The individual issuers may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC.</p>

	Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
<b>3.1</b>	Subject to section 3.2, investments made by a Fund in units of a UCITS or other CIS may not exceed, in aggregate, 10% of the Net Asset Value of the Fund.
<b>3.2</b>	Notwithstanding the provisions of section 3.1, where the Supplement of a Fund states that it may invest more than 10% of its assets in UCITS or other CIS, the following restrictions shall apply instead of the restrictions set out at section 3.1 above: <ul style="list-style-type: none"> <li>(a) a Fund may not invest more than 20% of its Net Asset Value in any one UCITS or other CIS;</li> <li>(b) a Fund’s Investments in AIFs may not, in aggregate, exceed 30% of a Fund’s Net Asset Value;</li> </ul>
<b>3.3</b>	A Fund may not invest in a UCITS or other CIS which is not itself prohibited from investing more than 10% of its Net Asset Value in other open-ended CIS.
<b>3.4</b>	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Fund’s management company or by any other company with which the Fund’s management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund’s investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another investment fund, the Manager, an investment manager or an investment advisor receives a commission on behalf of the Fund (including a rebated commission), the Manager shall ensure that the relevant commission is paid into the property of the Fund.
<b>3.6</b>	The following investment restrictions apply where a Fund invests in other Funds of the Company (it being noted that no Fund may invest in another Fund of the Company which is itself a “fund of funds”): <ul style="list-style-type: none"> <li>• a Fund will not invest in a Fund of the Company which itself holds shares in other Funds within the Company;</li> <li>• a Fund investing in such other Fund of the Company will not be subject to subscription or redemption fees;</li> <li>• where investment is made by one Fund (the "Investing Fund") in another Fund of the Company (the "Receiving Fund"), the rate of the annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund's assets invested in Receiving Funds (whether such fee is paid directly at Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) shall not exceed the rate of the maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund's assets, such that there shall be no double charging of the annual management fee to the Investing Fund as a result of its investments in the Receiving Fund. This provision is also applicable to the annual fee charged by the Investment Managers where the fee is paid directly out of the assets of the Company; and</li> <li>• investment by a Fund in another Fund of the Company will be subject to the limits set out in paragraph 3.1 above (where the investing Fund is not a fund of funds) and 3.2 above (where the investing Fund is a fund of funds).</li> </ul>

<b>4</b>	<b>Index Tracking UCITS</b>
	Intentionally left blank
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	The Company, or Manager acting in connection with all of the Funds it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.2 (a) and (b), 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;</li> <li>(v) shares held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf.</li> </ul>
<b>5.4</b>	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12 or 3.2 (a) or (b) for six (6) months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
<b>5.7</b>	Neither the Company, nor the Manager may carry out uncovered sales of:

	<ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A Fund may hold ancillary liquid assets.
<b>6</b>	<b>Borrowing Restrictions</b>
<b>6.1</b>	The Company may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. The Depositary may give a charge over the assets of a Fund in order to secure the borrowings attributed to it. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
<b>6.2</b>	The Company may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (6.1), provided that the offsetting deposit: (i) is denominated in the base currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (6.1) above.
<b>7</b>	<b>FDI</b>
<b>7.1</b>	Each Fund's global exposure (as prescribed by Central Bank Requirements) relating to FDI must not exceed its total Net Asset Value, where relevant.
<b>7.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits prescribed by Central Bank Requirements. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria specified by Central Bank Requirements).
<b>7.3</b>	Each Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>7.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

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\* Any short selling of money market instruments by a UCITS is prohibited.

## APPENDIX IV

### List of entities to whom safekeeping duties of the Depository may be delegated or sub-delegated

Market	Subcustodian
Australia	Hongkong and Shanghai Banking Corporation Ltd.
Austria	UniCredit Bank Austria AG
	Deutsche Bank AG
Bahrain	HSBC Bank Middle East,
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands
Benin	Standard Chartered Bank Côte d'Ivoire
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank N.A. – São Paulo Branch
Bulgaria	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
Burkina Faso	Standard Chartered Bank Côte d'Ivoire
Canada	RBC Investor Services Securities Cage
	State Street Trust Company Canada
Chile	Itaú CorpBanca S.A.
China – A-Share Market	HSBC Bank (China) Company Limited
	China Construction Bank
China – B-Share Market	HSBC Bank (China) Company Limited
China - Shanghai - Hong Kong Stock Connect	Standard Chartered Bank (Hong Kong) Limited
	Hongkong and Shanghai Banking Corporation Limited
	Citibank N.A.
Colombia	Cititrust Colombia, S.A. <i>Sociedad Fiduciaria.</i>
Costa Rica	Banco BCT
Croatia	Privredna banka Zagreb dd

<b>Market</b>	<b>Subcustodian</b>
	Zagrebacka banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Athens
Czech Republic	Československá Obchodní Banka A.S.
	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Skandinaviska Enskilda Banken AB (SEB)
	Nordea Bank Danmark A/S
Egypt	HSBC Bank Egypt S.A.E.
Estonia	AS SEB Pank
Finland	Skandinaviska Enskilda Banken AB (Publ) (SEB)
	Nordea Bank Finland Plc
France	Deutsche Bank AG, Netherlands
Republic of Georgia	JSC Bank of Georgia
Germany	Deutsche Bank AG
	State Street Bank GmbH
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	Standard Chartered Bank Côte d'Ivoire
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	UniCredit Bank Hungary Zrt.
	Citibank Europe plc
Iceland	Landsbankinn hf
India	The Hongkong and Shanghai Banking Corporation Limited
	Deutsche Bank AG
Indonesia	Deutsche Bank A.G.
Ireland	State Street Bank and Trust Company
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A.
	Intesa Sanpaolo (ISP) Financial Institutions - Transactions Services
Ivory Coast	Standard Chartered Bank
Jamaica	Scotia Investments Jamaica Limited



<b>Market</b>	<b>Subcustodian</b>
Japan	The Hongkong and Shanghai Banking Corporation, Japan branch (HSBC)
	Mizuho Bank, Ltd
Jordan	Standard Chartered Bank Shmeissani Branch
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited
Republic of Korea	Hongkong and Shanghai Banking Corporation Limited
	Deutsche Bank AG Investor Services
Kuwait	HSBC Bank Middle East Limited
Latvia	AS SEB Banka
Lithuania	SEB Bankas
Malawi	Standard Bank Limited
Malaysia	Standard Chartered Bank Malaysia Berhad
	Deutsche Bank (Malaysia) Berhad
Mali	Standard Chartered Bank Côte d'Ivoire
Mauritius	Hongkong and Shanghai Banking Corp. Ltd.
Mexico	Banco Nacional de México S.A. (Banamex)
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia
Netherlands	Deutsche Bank AG, Netherlands
New Zealand	The Hongkong and Shanghai Banking Corporation Ltd.
Niger	Standard Chartered Bank Côte d'Ivoire
Nigeria	Stanbic IBTC Bank Plc.
Norway	Skandinaviska Enskilda Banken
	Nordea Bank Norge ASA
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank A.G.
Panama	Citibank, N.A.
Peru	Citibank del Perú S.A
Philippines	Deutsche Bank AG

<b>Market</b>	<b>Subcustodian</b>
Poland	Bank Handlowy w
	Bank Polska Kasa Opieki S.A.
Portugal	Deutsche Bank AG, Netherlands
Puerto Rico	Citibank, N.A. Puerto Rico
Qatar	HSBC Bank Middle East Limited
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited
Senegal	Standard Chartered Bank Côte d'Ivoire
Serbia	Unicredit Bank Serbia JSC
Singapore	United Overseas Bank Limited (UOB)
	Citibank, N.A.
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	Standard Bank of South Africa Limited
	FirstRand Bank Limited
Spain	Deutsche Bank SAE
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d
Swaziland	Standard Bank Swaziland Limited
Sweden	Skandinaviska Enskilda Banken
	Nordea Bank AB (publ)
Switzerland	UBS Switzerland AG
	Credit Suisse AG
Taiwan	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank Tanzania Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	Standard Chartered Bank Côte d'Ivoire

<b>Market</b>	<b>Subcustodian</b>
Tunisia	Union Internationale de Banques (UIB)
Turkey	Citibank A.Ş.
	Deutsche Bank, A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	PJSC Citibank
United Arab Emirates - Abu Dhabi Securities Exchange (ADX)	HSBC Bank Middle East Limited
United Arab Emirates - DFM	HSBC Bank Middle East Limited
United Arab Emirates - Dubai International Financial Center (DIFC)	HSBC Bank Middle East Limited
United Kingdom	State Street Bank and Trust Company
United States	State Street Bank and Trust Company
Uruguay	Banco Itau Uruguay S.A.
Vietnam	Hongkong & Shanghai Banking Corp. Ltd.
Zambia	Standard Chartered Bank Zambia Plc
Zimbabwe	Stanbic Bank Zimbabwe Limited

## **APPENDIX V**

### **Index Disclaimers**

#### **MSCI**

Reference is made in this Prospectus to a number of MSCI indices. However, MSCI has not reviewed this Prospectus and does not endorse any information contained herein. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any information contained in this Prospectus.

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