
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.

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

This Prospectus replaces the prospectus dated 2 September 2013.

The date of this Prospectus is 16 February 2015.

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 UCITS 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 the requirements of the Central Bank 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 Investors Compensation Scheme.

Application may 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/KIID in a language other than English, the language of the prospectus/supplement/KIID 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 Offer and Redemption Prices for Shares 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 Redemption Price 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 or which is 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

“**Acts**”, the Companies Acts, 1963 to 2013 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, 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 the requirements of the Central Bank, to provide administration services to the Company.

“**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.

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

“**Currency Management Agreement**”, the currency management agreement dated 7 December 2010, between the Company, the Investment Manager 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 the requirements of the Central Bank, to act as currency manager to the Company.

“**Custodian**”, 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 custodian to the Company.

“**Custodian Agreement**”, the custodian agreement dated 22 October 2010, between the Company and the Custodian, as same may be amended from time to time.

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

“**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.

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

“**Distributor**”, Lazard Asset Management Limited and/or such other person(s) as may be appointed in accordance with the requirements of the Central Bank 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 Subscription and Redemption Prices, 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.

“**EU**”, the European Union.

“**Euro**” 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.

“**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.

“**Investments**”, any investments authorised by the Memorandum of Association of the Company and which is permitted by the Regulations and the Articles.

“**Investment Management Agreement**”, the investment management agreement dated 26 February 2009, between the Company, the Manager and the Investment Manager, as amended by side letters dated 26 October 2010, 7 August 2012, 21 November 2012, 2 September 2013 and 31 October 2013, as same may be amended from time to time.

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

“**Japanese Yen**”, “**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 the requirements of the Central Bank, to act as manager to the Company.

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

“**Minimum Holding**”, a holding of Shares of any share 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.

“Notices”, the notices issued by the Central Bank in exercise of its powers under the Regulations.

“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 letter dated 26 October 2010, as same may be amended from time to time.

“Prospectus”, this document as it may be amended from time to time in accordance with the Notices and the requirements of the Central Bank 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.

“Redemption Price”, in respect of any Fund, the price at which Shares can be redeemed as calculated in the manner set out in the relevant Supplement.

“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.

“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.

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

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

“Subscription Price”, the price at which Shares can be subscribed as calculated in the manner set out in the relevant Supplement.

“The Irish Stock Exchange”, The Irish Stock Exchange Limited.

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

“United Kingdom”, 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
First Floor
Fitzwilton House
Wilton Place
Dublin 2
Ireland

are as follows:

Michael Allen
Gavin Caldwell
John Donohoe
Andreas Hübner
Daniel Morrissey
William Smith

Registered Office

First Floor
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Wilton Place
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Ireland

Manager

Lazard Fund Managers (Ireland)
Limited
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Investment Manager

Lazard Asset Management
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USA

Currency Manager

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London E14 5HJ
England

Custodian

State Street Custodial Services
(Ireland) Limited
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Dublin 2
Ireland

Administrator, Registrar and Transfer Agent

State Street Fund Services
(Ireland) Limited
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Promoter

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Distributors

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Auditors

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Legal Advisers to the Company *as to Irish law*

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20 Cursitor Street
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EC4A 1LT

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 requirements of the Central Bank, 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 financial derivative instruments 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 have 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 Financial Derivative Instruments 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 financial derivative instruments. 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”) financial derivative instruments, 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 financial derivative instruments 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 financial derivative instruments under any circumstances, the Company shall employ a risk management process in accordance with the requirements of the Central Bank 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 financial derivative instruments 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 Custodian, 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 a dividend payment 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 Ireland or 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 or Irish 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

General

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 Offer and Redemption Prices for Shares 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 heading “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) rather than directly to or from the Custodian bear a credit risk against that intermediary entity with respect to:-

- (a) subscription monies prior to the transmission of such monies to the Custodian for the account of the Company; and
- (b) redemption monies paid by the Company to such intermediate entity and payable to the relevant investor.

6. *Dependence on Key Personnel*

The Company and the Funds rely on the services of the Investment Manager whose performance is dependent on the services of its investment team. There can be no assurance that the 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 Manager or the Administrator is 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. ***Broker Risk and Sub-Custody Risk***

A Fund will be exposed to the credit risk of the counterparties or the brokers and dealers and exchanges through which, it deals, whether it engages in exchange or off-exchange traded transactions. A Fund may be subject to risk of loss of its assets held by a broker 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. A Fund's Investments may be registered in the name of a sub-custodian or broker where, due to the nature of the law or market practice of jurisdictions, it is common market practice. Such Investments may not be segregated from the sub-custodian's or the broker's own investments and in the event of default of such sub-custodian or broker may not be protected and may be irrecoverable by the Fund.

9. ***Counterparty Risk to the Custodian***

The Company will be exposed to the credit risk of the Custodian as a counterparty or any depository used by the Custodian where cash is held by the Custodian or other depositaries. In the event of the insolvency of the Custodian or other depositaries, the Company will be treated as a general creditor of the Custodian or other depositaries in relation to cash holdings of the Funds. The Funds' securities are however maintained by the Custodian or other depositaries in segregated accounts and should be protected in the event of insolvency of the Custodian or other depositaries. When such a counterparty is in financial difficulties, even if a Fund is able to recover all of its capital intact, its trading could be materially disrupted in the interim, potentially resulting in material losses.

10. ***Systems Risks***

The Company and the Funds depend on the Investment Manager to develop and implement appropriate systems for the Fund's 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 Fund's activities. Certain of a Fund's and the Company's delegates' operations interface will be dependent upon systems operated by third parties, the Custodian,

the Administrator, market counterparties and their sub-custodians and other service providers, and the Investment Manager may not be in a position to verify the risks 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 "worms", 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 delegates' 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 by or on behalf of a Fund, avoid exposure to counterparty risk on the buyer. 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 Custodian 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 Custodian 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 Custodian 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 over-the-counter (“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 the requirements of the Central Bank 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 Manager 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 Manager deems 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 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.

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 Manager 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 presently 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 Manager 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.

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 Manager 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 offshore range of unitised Funds. Before joining the Lazard Group he was the Chief Operating Officer of Augustus Asset Managers Limited and Head of Investment Administration Fixed Income following GAM (UK) Limited acquisition of Augustus Asset Manager Limited. Mr Allen has been working in the investment industry for over 20 years and 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 a member of the Asset Management Working Group which is part of the Government committee structure overseeing the development of International Financial Services in Ireland. He holds a Business Studies degree from Trinity College, Dublin.

Mr John Donohoe (Irish). Mr Donohoe is CEO and Principal of Carne Global Financial Services Limited, a leading governance provider to the global asset management industry. He has over 20 years' experience in the financial services industry holding senior positions with Deutsche Bank (a Managing Director), State Street and KPMG. He has served as an executive/non-executive director on various Deutsche Bank boards, including Deutsche International (Ireland) Limited and subsidiaries, Morgan Grenfell & Co Limited (Deutsche's UK investment bank), Deutsche Trustees (UK) Limited and The WM Company Limited. Mr Donohoe spent 12 years with Deutsche Bank, where he rose to become CEO, Europe, Asia and Offshore, Deutsche Global Fund Services. Prior to establishing Carne, Mr Donohoe was a Senior Vice-President of State Street Corp, following the acquisition of Deutsche Bank's Global Securities Services business. Mr Donohoe qualified as a Chartered Accountant with KPMG in Dublin. He is a Fellow of the Institute of Chartered Accountants and holds a First Class Honours Degree in Accounting & Finance from Dublin City University.

Mr Andreas Hübner (German). Mr Hübner is a Senior Managing Director of Lazard Asset Management and Chief Executive Officer of Lazard Asset Management (Deutschland) GmbH, Frankfurt am Main. He joined Lazard in 1999 from Schröder Münchmeyer Hengst & Co where he was a Member of the Executive Board and a personal 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 the Irish Funds Industry Association 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 Limited and Chief Executive of 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. Mr William Smith, who is a director of the Company, is also a director of the Promoter. Lazard Asset Management Limited is the London-based investment, client servicing and marketing arm of Lazard Asset Management 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 function in respect of the Fund to the Investment Manager and administrative functions to the Administrator.

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 has an authorised share capital of Stg£5,000,000 and an issued and fully paid-up share capital of Stg£125,000. The Manager's main business is the provision of fund management and administration services to collective investment schemes such as the Company. With the exception of Mr Andreas Hübner, the Directors of the Company are also directors of the Manager. The additional director of the Manager, who is not a Director of the Company, is Mr John Reinsberg 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 in 1991, 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.

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 Investment Manager

The Manager has delegated its responsibility for the investment and re-investment of the Company's assets to Lazard Asset Management LLC.

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).

The Investment Manager is 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 Manager 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 manager 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 Investment Manager may make use of soft commission arrangements to enable it to obtain specialist services the benefits of which assist in the provision of investment services to the Funds. Such services may include access to research or pricing facilities. All transactions undertaken on a soft commission basis will be subject to the fundamental rule of best execution by the broker/counterparty and will also be disclosed in the subsequent relevant semi-annual and annual reports of the Company.

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

Currency Manager

The Investment Manager has appointed State Street Bank Europe Limited (the "Currency Manager") to provide non-discretionary currency hedging services to the Investment Manager 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 (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".

Custodian

The Company has appointed State Street Custodial Services (Ireland) Limited (the “Custodian”) as custodian of its assets pursuant to the custodian agreement dated 22 October 2010 between the Company and the Custodian (the “Custodian Agreement”).

The principal activity of the Custodian is to provide trustee and custodial services for investment funds such as the Company. The Custodian acts as custodian of all of the Company’s securities, cash and other assets and will discharge all trustee and custodial duties in respect of such securities, cash and other assets in accordance with the provisions of the Custodian Agreement, the Articles and the Notices. The Custodian is responsible for the safe-keeping of all the Company’s assets held within its custody network. The Custodian shall be liable to the Shareholders and the Company for any loss suffered by them as a result of its unjustifiable failure to perform its obligations or its improper performance of its obligations.

The Custodian is a limited liability company incorporated in Ireland on 22 May 1991 and is, like the Administrator, ultimately owned by the State Street Corporation. Its authorised share capital is Stg£5,000,000 and its issued and paid up capital is Stg£200,000. As at 30 November 2014, the Custodian held funds under custody in excess of US\$564.9 billion. The Custodian’s principal business is the provision of custodial and trustee services for collective investment schemes and other portfolios.

The Custodian may enter into arrangements with sub-custodians. The Custodian shall be reimbursed out of the assets of the Company for the fees and transaction charges (which shall be at normal commercial rates) and reasonable out-of-pocket expenses of any sub-custodian. The Custodian must exercise care and diligence in choosing and appointing such sub-custodians so as to ensure that such sub-custodians have and maintain the expertise, competence and standing appropriate to discharging the responsibilities concerned. The Custodian must maintain an appropriate level of supervision over all sub-custodians and make appropriate inquiries from time to time to confirm that the obligations of the sub-custodians continue to be competently discharged.

Under the terms of the Custodian Agreement the Custodian has full power to delegate the whole or any part of its custodial functions, but the liability of the Custodian will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safe-keeping.

The Distributors

The Manager has appointed Lazard Asset Management Limited, Lazard Asset Management (Deutschland) GmbH and Lazard Asset Management Securities LLC as its Distributors. Further Distributors may be appointed in the future.

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 Manager 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 Manager 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 Investment Manager, the Administrator and the Custodian and their respective holding companies, subsidiaries and affiliates (each an “Interested Party”) conflicts of interest may arise. An Interested Party 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, an Interested Party 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 Interested Party was concerned provided that the acquisition by an Interested Party of such Investments is effected on normal commercial terms negotiated on an arm’s length basis and the Investments held by the Company are acquired on the best terms having regard to the interests of the Shareholders. An Interested Party may deal with the Company as principal or as agent, provided that any such dealings are carried out as if effected on normal commercial terms negotiated on an arm’s length basis, such that:

- (a) a certified valuation of the transaction by a person approved by the Custodian (or in the case of a transaction with the Custodian, the Directors) as independent and competent is obtained; or
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or

- (c) where (a) and (b) are not practical, execution on terms which the Custodian (or, in the case of a transaction with the Custodian, the Directors) is satisfied conforms with the principle outlined in the preceding paragraph.

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 Manager 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 Manager 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 Manager's fee may increase as the Net Asset Value of a Fund increases.

Where any conflict of interest arises, the Investment Manager will at all times have regard to its 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 reports will be circulated to Shareholders.

Copies of this Prospectus, Supplement 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.co.uk (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.

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.

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 Custodian or any sub-custodian to the Custodian's satisfaction and the Custodian 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 Custodian and shall supply to the Custodian 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 Custodian. 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 Redemption 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 Funds

Shareholders of a class within a Fund may switch to classes within such other Fund or Funds at the Directors' discretion.

The holders of Shares of each class of each of the Funds may switch to a corresponding class of Share (if any) 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 a Fund (the "Original Fund") to another Fund (the "New Fund") would result in a Shareholder holding a number of Shares in the Original Fund 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 Fund or refuse to effect any switch. 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 Fund to be issued will be calculated in accordance with the following formula:

$$A = \frac{Bx(CxDxF)}{E}$$

Where:

- A = the number of Shares of the New Fund to be allotted;
- B = the number of Shares of the Original Fund to be converted;
- C = the Redemption Price per Share of the Original Fund 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 transfer of assets between the relevant Funds where the base currencies of the relevant Funds are different. Where the base currencies of the relevant Funds are the same, D=1;
- E = the Subscription Price per Share of the New Fund in respect of the Valuation Point on the relevant Dealing Day plus the current switching fee (of up to 1% of the Redemption Price of the Shares in the Original Fund); and
- F = the switching factor to be applied to switching between Funds 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 Fund is earlier than the settlement date for Shares in the Original Fund. In such circumstances, this factor shall operate to compensate the New Fund for late settlement. In all other cases, including where the settlement dates of the relevant Funds are the same, F=1.

Where there is a conversion of Shares, Shares of the New Fund will be allotted and issued in respect of and in proportion to the Shares of the Original Fund 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 a notary public, 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 Investment Manager and the Administrator shall be indemnified and held harmless against any loss arising as a result of failure

to process his application for, 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.

Exchange of Information

The European Union has adopted EC Directive 2003/48/EC (the “Savings Directive”) regarding the taxation of savings income. The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest (which may include distributions or redemption payments by collective investment funds, including UCITS) or other similar income paid by a person to an individual or to certain other persons in another Member State, except that Austria and Luxembourg may instead impose a withholding system for a transitional period unless during such period they elect otherwise.

Accordingly, the Custodian, Administrator or such other entity considered a “paying agent” for the purposes of the Savings Directive may be required to disclose details of payments of interest or other similar income to investors in the Company to the Irish Revenue Commissioners. In that regard, the Custodian, Administrator or such other entity considered a “paying agent” will require proof of identity, residence and relevant tax documentation from individual investors. Failure to provide the above information may result in the refusal of an application for a subscription or a request for a redemption.

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 priority to subsequent redemption or switching requests 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 Manager, the Promoter and the Distributors out of its fee.

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 of the Company, 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 Custodian) 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 Custodian from the assets of other Funds, and shall not (save as provided in the Acts) 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.

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.

“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 734(1) 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)(I) of the Taxes Act;

- the National Pension Reserve Fund Commission or a Commission investment vehicle;
- the National Asset Management Agency (NAMA);
- 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; 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 Irish Revenue 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 2011 to 31 December 2011 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2014 to 31 December 2014.

“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

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.

Residence – Company

Irish tax legislation provides that a company incorporated in Ireland will be regarded for all tax purposes as resident in Ireland. A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. 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;
- or
- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

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.

“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.

“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 includes the end of each eight year period following the acquisition of the Shares regardless of whether the Shares have been encashed, redeemed, cancelled or transferred (the “eight year deemed disposal rule”). 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 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.
- any transaction in relation to, or in respect of, relevant Shares in an investment undertaking which transaction only arises by virtue of a change of court funds manager for that 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 under the eight year deemed disposal rule, 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 eight year deemed disposal 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. 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 under the eight year deemed disposal rule, 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 the Company has put in place appropriate equivalent measures to ensure the Shareholders in the Company are neither Irish Resident nor Irish Ordinary Resident and has obtained the required approval from the Irish Revenue Commissioners and the approval has not been withdrawn. 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.

- iii. Where an Irish Resident company is within the charge to tax on a relevant payment from the Company and tax has been deducted by the Company from such a payment, then such tax can be offset against the Irish corporation tax assessable on the Shareholder, with any excess being reclaimable.

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

Unless a Shareholder is an Exempted Irish Investor (as defined above), 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. Additionally, where Shares are held by the Courts Service, no tax is deducted by the Company on payments made to the Courts Service. The Courts Service will be required to operate the tax on payments to it by the Company where they allocate those payments to the beneficial owners.

Irish Resident corporate Shareholders who receive distributions (where payments are made annually or at more frequent intervals) 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 the 25% rate 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.

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.

European Union Taxation of Savings Income Directive

Dividends and other distributions of income made by the Company, together with payment of the proceeds of sale and/or redemption of Shares in the Company, may (depending on the investment portfolio of the Company) be subject to the withholding tax and/or information providing regime imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "EU Savings Directive"), where payment is made to a Shareholder who is an individual resident for tax purposes in a Member State of the European Union (or a "residual entity" established in a Member State) by a paying agent resident in another such Member State.

Certain Member States have opted for a withholding system in relation to such payments. For a transitional period, Austria and Luxembourg are required (unless during such period they elect otherwise) to apply a withholding tax system. From 1 January 2015, Luxembourg will change from operating withholding tax to the exchange of information system. A number of non-EU countries and territories have adopted similar measures. Ireland has opted for exchange of information rather than a withholding tax system.

Accordingly, the Custodian, the Administrator or such other entity considered a "paying agent" for the purposes of the EU Savings Directive may be required to disclose details of payments of interest or other similar income to investors in the Company to the Irish Revenue Commissioners. In that regard, the Custodian, the Administrator or such other entity considered a "paying agent" will require proof of identity, residence and relevant tax documentation from individual investors. Failure to provide the above information may result in the refusal of an application for a subscription or a request for a redemption.

In March 2014, the EU Council adopted a directive amending and expanding the EU Savings Directive. A broader range of investment funds are now within scope of the EU Savings Directive. Payments made to a larger number of entities, trusts, foundations and other legal arrangements will now also be reportable. The revised EU Savings Directive also provides for a "look-through" approach to certain EU and non-EU entities or similar legal arrangements to identify who is benefiting from interest payments. The changes adopted must be transposed into national law by 1 January 2016 and should apply from 1 January 2017. Investors who are in any doubt as to their position should consult their professional advisers.

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.

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 United Kingdom 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 United Kingdom 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 United Kingdom for taxation purposes will be liable to United Kingdom 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 United Kingdom 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 are subject to income tax on foreign dividends at the dividend basic rate (currently 10%) if they are not higher or additional rate taxpayers, at the dividend upper rate (currently 32.5%) if they are higher rate taxpayers and at the dividend additional rate (currently 37.5%) if they are additional rate taxpayers, subject in each case to any available double tax relief. Modified rules, which are not discussed in this summary, apply to UK resident Shareholders who are individuals not domiciled within the UK.

When United Kingdom resident individual Shareholders receive dividends or reported income from the Company, they may be entitled to a non-refundable tax credit in respect of distributions from non-UK resident companies similar to the non-refundable tax credit available in the case of distributions

from UK resident companies. Such Shareholders may claim to deduct the non-refundable tax credit from the income tax charged on their total income for the tax year in which the distribution is taxed. This non-refundable tax credit is equivalent to 10% of the dividend plus the tax credit.

When any United Kingdom corporate Shareholders which are within the charge to United Kingdom corporation tax receive dividends from the Company, the dividend is likely to fall within one of a number of exemptions from United Kingdom corporation tax. In addition, distributions to non- United Kingdom companies carrying on a trade in the United Kingdom through a permanent establishment in the United Kingdom should also fall within the exemption from United Kingdom 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 corporate 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. This means that no tax credit will be available and the relevant tax rates will be those applying to interest.

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 or ordinarily 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 new 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.co.uk.

Chargeable gains arising on disposals of capital assets by UK resident individuals are subject to capital gains tax at the rate of 18% for basic rate taxpayers or 28% to the extent an individual taxpayer's total taxable income and gains exceeds the upper limit for the income tax basic rate band (currently £31,865 for the tax year 2014/15).

Corporate Shareholders will be subject to corporation tax on chargeable gains. The main rate of corporation tax is currently 21% for the financial year commencing 1 April 2014 but decreasing to 20% from 1 April 2015.

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 "non-qualifying investments test", the trading 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")

In the absence of an exemption applicable to a prospective Shareholder, stamp duty reserve tax (or stamp duty) at the rate of 0.5% will be payable by prospective Shareholders 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 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.

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 at First Floor, Fitzwilton House, Wilton Place, Dublin 2, 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 of Association

The Memorandum of Association 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 of Association which is available for inspection at the registered office of the Company.

5. Articles of Association

The following section is a summary of the principal provisions of the Articles of Association 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 Acts) 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 Acts, 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 Acts 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 Acts, 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 Acts, 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 Acts, 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 Acts) 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 the Central Bank's 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 the Central Bank's 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 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 Custodian); 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 Custodian 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 Custodian);

- (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 Custodian) 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 Custodian);
- (viii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the latest available middle 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 Custodian);
- (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 Custodian; or
 - B. an alternative valuation as the Directors may determine in accordance with the requirements of the Central Bank. 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 Custodian (or a valuation by any other means provided that the value is approved by the Custodian). 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 Custodian 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 Custodian;
 - (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 this Article.
- (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 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 Custodian Agreement. The Custodian Agreement provides that the appointment of the Custodian will continue in force unless and until terminated by either party giving to the other the relevant period of advanced written notice, although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice etc) the agreement may be terminated forthwith by notice in writing by either party to the other. The Custodian Agreement contains provisions regarding the custodian's legal responsibilities and indemnities in favour of the Custodian other than for matters arising by reason of its unjustifiable failure to perform its obligations or by reason of its improper performance of them or for matters arising by reason of the Custodian's negligence, fraud, bad faith, wilful default or recklessness;
- (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 Investment Management Agreement. The Investment Management Agreement provides that the appointment of the Investment Manager 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 Investment Management Agreement contains provisions regarding the Investment Manager's legal responsibilities and indemnities in favour of the Investment Manager 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 Currency Management Agreement. The Currency Manager has been appointed by the Investment Manager pursuant to the Currency Management Agreement. The Company in consideration for the services to be provided by the Currency Manager to the Investment Manager 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 the Investment Manager 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 Memorandum and Articles of Association 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 in the United Kingdom

Facilities are maintained in the United Kingdom where any person may inspect and obtain copies of the Memorandum and Articles of Association of the Company, the Prospectus and KIIDs and the Company's latest annual and half-yearly reports and where any investor may obtain information about the price of Shares and may redeem Shares and obtain payment, and where any person who has a complaint to make about the operation of the Company can submit his complaint for transmission to the Manager.

These facilities are maintained at Lazard Asset Management Limited, 50 Stratton Street, London, W1J 8LL, England.

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 requirements of the Central Bank, 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 of the EU, Australia, Canada, Hong Kong, Iceland, Japan, Liechtenstein, 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 S.A.
in Chile	Bolsa de Comercio de Santiago Bolsa Electronica de Chile Bolsa de Valparaiso
in China	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 the Bombay Stock Exchange
in Indonesia	the Indonesia Stock Exchange
in Israel	the Tel Aviv Stock Exchange
in Jordan	the Amman Stock Exchange
in Kazakhstan	the Kazakhstan Stock 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 Pakistan	the Karachi Stock Exchange the Lahore Stock Exchange the Islamabad Stock Exchange
in Peru	Bolsa de Valores de Lima
in Philippines	the Philippines Stock Exchange
in Qatar	the Qatar Exchange
in Russia	the Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS)
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	the Istanbul Stock Exchange
in the U.A.E. - Abu Dhabi	the Abu Dhabi Securities Exchange
in the U.A.E. - Dubai	the Dubai Financial Market
in Uruguay	Bolsa de Valores de Montevideo Bolsa Electrónica de Valores del Uruguay SA
in Venezuela	Bolsa de Valores de Caracas
in Vietnam	the Ho Chi Minh Stock Exchange the Hanoi 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 Toyko 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 financial derivative instruments, a Fund will only invest in financial derivative instruments 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 the requirements of the Central Bank, 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 Financial Derivative Instruments 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 over-the-counter (“OTC”) financial derivative instruments, 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 financial derivative instruments in which a Fund may invest will be set out in the Supplement for the relevant Fund. A Fund may also invest in financial derivative instruments for direct investment purposes as part of its investment strategy where such intention is disclosed in the Fund’s investment policy. Investment in financial derivative instruments, whether for direct investment purposes or for efficient portfolio management purposes, must comply with the requirements of the Central Bank, 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.

Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including financial derivative instruments 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 the 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 Notices;

- (c) their risks are adequately captured by the risk management process of the Company (in the case of financial derivative instruments only); and
- (d) they cannot result in a change to the Fund's declared investment objective or add supplementary risks in comparison to the general risk policy as described in the sales documents.

B. Use of Repurchase/Reverse Repurchase Agreements and Securities Lending (“efficient portfolio management techniques”)

The Company, on behalf of a Fund, does not currently engage in efficient portfolio management techniques. To the extent that the Company, on behalf of a Fund, does so, the use of such techniques 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. The counterparty to a repurchase/reverse repurchase agreement or securities lending agreement must have a minimum credit rating of A-2 or equivalent or must be deemed by the Company to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where the Company is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A-2 or equivalent.
3. The Company, on behalf of a Fund, should ensure that it is able at any time 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 should ensure that it is able at any time 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 should 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 should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.¹
6. 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.
7. 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 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 Custodian.

¹ Fixed-term repurchase and 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.

8. All the revenues arising from efficient portfolio management techniques, net of direct or indirect operational costs, should be returned to the relevant Fund.

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.

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 must comply with the criteria 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: collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
 - (c) Issuer credit quality: collateral received should be of high quality.
 - (d) Correlation: collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
 - (e) Diversification (asset concentration): collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a 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.
 - (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. Collateral received on a title transfer basis should be held by the Custodian. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.
3. Non-cash collateral cannot be sold, pledged or re-invested.
4. Cash collateral may not be invested other than in the following:
 - i. deposits with relevant institutions (as "relevant institutions" is defined in UCITS Notice 9);
 - ii. high-quality government bonds;
 - iii. reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company on behalf of a Fund is able to

recall at any time the full amount of cash on an accrued basis;

- iv. short-term money market funds as defined in the ESMA (“European Securities and Markets Authority”) Guidelines on a Common Definition of European Money Market Funds (*ref CESR/10-049*).
- v. In accordance with paragraph (d) of Section A above, 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 a related entity.

5. 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.

6. 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.

7. 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.

8. 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 Company, 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.

9. 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

The counterparty to an OTC derivative transaction must be one of the following:

1. a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein);
2. 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);
3. a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
4. an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State, or is an entity subject to regulation as a Consolidated Supervised Entity (“CSE”) by the US Securities and Exchange Commission; or
5. in the case of a counterparty which is not a credit institution meets the criteria set out in Section B.2. above.

APPENDIX III

Investment and Borrowing Restrictions

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

1	Permitted Investments
	Investments of each Fund are confined to:
1.1	Transferable securities and money market instruments, as prescribed in the UCITS Notices, 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.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments, as defined in the Notices, other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of Non-UCITS as set out in the Central Bank's Guidance Note 2/03.
1.6	Deposits with credit institutions as prescribed in the Notices.
1.7	Financial derivative instruments as prescribed in the Notices.
2	Investment Restrictions
2.1	Each Fund may invest no more than 10% of net assets 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.
2.2	Each Fund may invest no more than 10% of net assets 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"> - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and - 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.
2.3	Each Fund may invest no more than 10% of net assets 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%.

2.4	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 assets 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.
2.5	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.
2.6	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.
2.7	<p>Each Fund may not invest more than 20% of net assets in deposits made with the same credit institution.</p> <p>Deposits with any one credit institution, other than credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basel Capital Convergence Agreement of July 1988, or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand held as ancillary liquidity, must not exceed 10% of net assets.</p> <p>This limit may be raised to 20% in the case of deposits made with the Custodian.</p>
2.8	<p>The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of credit institutions authorised in the EEA, credit institutions authorised within a signatory state (other than an EEA Member State) to the Basel Capital Convergence Agreement of July 1988, or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
2.9	<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 net assets:</p> <ul style="list-style-type: none"> - investments in transferable securities or money market instruments; - deposits, and/or - counterparty risk exposures arising from OTC derivatives transactions.
2.10	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 net assets.
2.11	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 net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	Each Fund may invest up to 100% of net assets 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 must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People’s Republic of China, 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> <p>Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
3	Investment in Collective Investment Schemes (“CIS”)
<p>3.1</p> <p>3.2</p> <p>3.3</p> <p>3.4</p> <p>3.5</p>	<p>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 assets of the Fund.</p> <p>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:</p> <p>(a) a Fund may not invest more than 20% of its Net Asset Value in any one UCITS or other CIS;</p> <p>(b) a Fund’s Investments in non-UCITS CIS may not, in aggregate, exceed 30% of a Fund’s Net Asset Value;</p> <p>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.</p> <p>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.</p> <p>Where a commission (including a rebated commission) is received by the Fund’s manager/ investment manager/ investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.</p>

3.6	<p>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”):</p> <ul style="list-style-type: none"> • a Fund will not invest in a Fund of the Company which itself holds shares in other Funds within the Company; • a Fund investing in such other Fund of the Company will not be subject to subscription or redemption fees; • the Manager will not charge a management fee to a Fund in respect of that portion of the Fund’s assets invested in another Fund of the Company (this provision also applies to the annual fee charged by the Investment Manager where this fee is paid directly out of the assets of the Company); and • 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).
4	Index Tracking UCITS
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5	General Provisions
5.1	<p>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.</p>
5.2	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> (i) 10% of the non-voting shares of any single issuing body; (ii) 10% of the debt securities of any single issuing body; (iii) 25% of the units of any single CIS; (iv) 10% of the money market instruments of any single issuing body. <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>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (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, 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.

	(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.
5.4	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.
5.5	The Authority may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12 and 3.2(a) and 3.2(b) for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	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.
5.7	Neither the Company, nor the Manager may carry out uncovered sales of: <ul style="list-style-type: none"> - transferable securities; - money market instruments*; - units of CIS; or - financial derivative instruments.
5.8	A Fund may hold ancillary liquid assets.
6	Borrowing Restrictions
6.1	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 Custodian 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;
6.2	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.
7	Financial Derivative Instruments ('FDIs')
7.1	The UCITS global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value, where relevant.
7.2	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 the UCITS Notices. (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 the UCITS Notices.)
7.3	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that

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

	<ul style="list-style-type: none">- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
7.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

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