

# PROSPECTUS

## I – GENERAL FEATURES

### I.1. Form of the Fund

<b>Name:</b>	<b>LAZARD CONVERTIBLE GLOBAL</b>
<b>Registered offices:</b>	121, Boulevard Haussmann 75008 Paris, France
<b>Legal form:</b>	French open-end investment company ( <i>Société d'Investissement à Capital Variable - SICAV</i> ) with a board of directors
<b>Inception date – term</b>	This Fund was created on September 17 <sup>th</sup> , 1985 for a period of 99 years.

### Fund overview:

ISIN code	Allocation of distributable income	Base currency	Eligible investors	Minimum initial subscription	Initial NAV
<b>A shares:</b> FR0000098683	Allocation of net income: accumulation and/or distribution and/or retained  Allocation of net realised capital gains: accumulation and/or distribution and/or retained	Euro	All subscribers	1 share	€1 524,49  <i>(The net asset value was divided by 10 by resolution of the Extraordinary Shareholders' Meeting of April 4<sup>th</sup>, 1997).</i>
<b>R shares:</b> FR0010858498	Allocation of net income: accumulation and/or distribution and/or retained  Allocation of net realised capital gains: accumulation and/or distribution and/or retained	Euro	All subscribers	1 share	€200
<b>K shares:</b> FR0011575240	Allocation of net income: accumulation and/or distribution and/or retained  Allocation of net realised capital gains: accumulation and/or distribution and/or retained	Euro	All subscribers, more specifically reserved for Swiss pension funds that are partners of Key Investment Services S.A. (KIS S.A.).	€500 000	€1 000

<b>AD shares: FR0013277654</b>	Allocation of net income: distribution  Allocation of net realised capital gains: accumulation and/or distribution and/or retained	Euro	All subscribers	1 share	€10 000
<b>A USD shares: FR0013185550</b>	Allocation of net income: accumulation and/or distribution and/or retained  Allocation of net realised capital gains: accumulation and/or distribution and/or retained	USD	All subscribers	1 share	USD 1 000
<b>AC H-EUR shares: FR0013185535</b>	Allocation of net income: accumulation  Allocation of net realised capital gains: accumulation	EUR	All subscribers	1 share	NAV of the Lazard Convertible Global Couvert feeder fund on the merger date.
<b>AD H-EUR shares: FR0013277662</b>	Allocation of net income: distribution  Allocation of net realised capital gains: accumulation and/or distribution and/or retained	Euro	All subscribers	1 share	€10 000
<b>R H-EUR shares: FR0013268356</b>	Allocation of net income: accumulation and/or distribution and/or retained  Allocation of net realised capital gains: accumulation and/or distribution and/or retained	EUR	All subscribers	1 share	€200
<b>AC H-CHF shares: FR0013185543</b>	Allocation of net income: accumulation  Allocation of net realised capital gains: accumulation	CHF	All subscribers	1 share	NAV of the Lazard Convertible Global Couvert CHF feeder fund on the merger date.

The difference between the A and R shares is that the A shares are mainly intended to be distributed by the management company directly to private clients, while the R shares are mainly intended to be distributed by partners of the management company or by third-party management companies.

The SICAV's prospectus, latest annual and periodic reports, as well as the composition of assets and Lazard Frères Gestion SAS's standards regarding the exercise of voting rights will be sent out within eight working days upon written request to:

**LAZARD FRERES GESTION SAS**

25, Rue de Courcelles – 75008 Paris, France

The prospectus is also available at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

**Designated contact:**

Client Services – Monday to Friday

9 a.m. to 5 p.m. – Tel.: + 33 (0)1.44.13.01.79

where further information may be obtained if necessary.

## I.2 Service providers

<b>Delegated management company:</b>	<b>LAZARD FRERES GESTION SAS</b> 25, Rue de Courcelles – 75008 Paris, France Management company incorporated under French law approved by the AMF on December 28 <sup>th</sup> , 2004, under No. GP 04 0000 68
<b>Custodian:</b>	<b>CACEIS BANK</b> Bank and investment services provider approved by the French Credit Institutions and Investment Firms Committee ( <i>Comité des établissements de crédit et des entreprises d'investissement</i> – CECEI) on April 1 <sup>st</sup> , 2005 Registered offices: 1-3 Place Valhubert – 75013 Paris, France The custodian's functions, as set out in the applicable regulations, include safeguarding of the assets, ensuring the legality of decisions taken by the management company and monitoring of cash flow related to the Funds.  <u>Sub-delegation:</u> A description of the functions of delegated custody agents, a list of the custody and sub-custody agents of CACEIS Bank, and information on conflicts of interest that may arise in relation to these agents are available on the CACEIS website: <a href="http://www.caceis.com">www.caceis.com</a> (Regulatory watch – UCITS V – Sub Custodians List). Investors may obtain updated information on request. The custodian operates independently of the investment management company.
<b>Delegated agent for the centralisation of subscription and redemption orders:</b>	<b>CACEIS BANK</b> Bank and investment services provider approved by the CECEI on April 1 <sup>st</sup> , 2005 Registered offices: 1-3 Place Valhubert – 75013 Paris, France
<b>Statutory Auditor:</b>	
<b>Principal:</b>	<b>PRICEWATERHOUSECOOPERS AUDIT</b> Represented by Frédéric Sellam 63, Rue de Villiers 92200 Neuilly sur Seine, France Authorised signatory: Frédéric Sellam
<b>Distributor:</b>	<b>LAZARD FRERES GESTION SAS</b> 25, Rue de Courcelles – 75008 Paris, France
<b>Sub-delegation:</b>	
<b>Financial and administrative sub-manager:</b>	<b>LAZARD FRERES GESTION SAS</b> 25, Rue de Courcelles – 75008 Paris, France
<b>Accounting delegated to:</b>	<b>CACEIS FUND ADMINISTRATION</b> Registered offices: 1-3 Place Valhubert – 75013 Paris, France
<b>Administrative, management and supervisory bodies:</b>	The names and functions of the Chairman and members of the Board of Directors are available in the SICAV's annual report.

## II – OPERATION AND MANAGEMENT

### II.1 – General features

<b>Features of the shares:</b>	
- ISIN Code A shares:	FR0000098683
- ISIN Code R shares:	FR0010858498
- ISIN Code K shares:	FR0011575240
- ISIN Code AD shares:	FR0013277654
- ISIN Code AC H-EUR shares:	FR0013185535
- ISIN Code AD H-EUR shares:	FR0013277662
- ISIN Code R H-EUR shares:	FR0013268356
- ISIN Code AC H-CHF shares:	FR0013185543
- ISIN Code “A USD” shares:	FR0013185550
- Nature of the rights attached to the SICAV’s shares:	Each shareholder has an ownership right in and to the assets of the SICAV in proportion to the number of shares owned.
- Voting rights attached to the SICAV’s shares:	Each shareholder has real voting rights on the basis of one vote for every share held.
- Form of the shares:	Bearer or administered registered at the unitholder’s discretion. The SICAV is listed with Euroclear France.
- Share fractions or whole share (A, R, K, AD, A USD, AC H-EUR, AD H-EUR R H-EUR and AC H-CHF ):	Subscriptions and/or redemptions may be made in thousandths of shares.
- Financial year end:	Last valuation date in October. As an exception, 2015 shall include all transactions performed between January 1 <sup>st</sup> , 2015 and the last trading day in October 2015
- Taxation:	The SICAV is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. The tax treatment of sums distributed by the SICAV or the unrealised or realised capital gains or losses of the SICAV depends on the tax rules applicable to the particular circumstances of each subscriber and/or the SICAV’s investment jurisdiction. If you are unsure of the tax rules applying to your particular circumstances, you should consult a professional adviser. ➤ For non-French residents: withholding tax is payable by the subscriber.

## II.2 – Other specifications

<b>- Classification:</b>	<b>DIVERSIFIED</b>
<ul style="list-style-type: none"> <li>- ISIN Code A shares:</li> <li>- ISIN Code R shares:</li> <li>- ISIN Code K shares:</li> <li>- ISIN Code AD shares:</li> <li>- ISIN Code AC H-EUR shares:</li> <li>- ISIN Code AD H-EUR shares:</li> <li>- ISIN Code R H-EUR shares:</li> <li>- ISIN Code AC H-CHF shares:</li> <li>- ISIN Code A USD shares:</li> </ul>	<ul style="list-style-type: none"> <li>FR0000098683</li> <li>FR0010858498</li> <li>FR0011575240</li> <li>FR0013277654</li> <li>FR0013185535</li> <li>FR0013277662</li> <li>FR0013268356</li> <li>FR0013185543</li> <li>FR0013185550</li> </ul>
<b>- Sub-investment manager:</b>	<b>LAZARD FRÈRES GESTION SAS</b>
<b>- Investment objective A, R, AD and K shares:</b>	The investment objective is to achieve a return (net of charges) above the Thomson Reuters Global Focus Convertible Bond Index (EUR) (net interest reinvested), expressed in euros, over the recommended investment horizon of five years.
<b>- Investment objective A USD shares:</b>	The investment objective is to achieve a return (net of charges) above the Thomson Reuters Convertible Global Focus USD index (net interest reinvested), expressed in US dollars, over the recommended investment horizon of five years.
<b>- Investment objective AC H-EUR, AD H-EUR and R H-EUR shares:</b>	The investment objective to achieve a return (net of charges) above the Thomson Reuters Global Focus Hedged (EUR) Convertible Bond Index (net interest reinvested), expressed in euros, hedged against foreign exchange risk with the euro as the base currency, over the recommended investment horizon of five years. The share's performance may be impacted by possible foreign exchange hedging costs.
<b>- Investment objective AC H-CHF shares:</b>	The investment objective is to achieve a return (net of charges) above the Thomson Reuters Global Focus Hedged Convertible Bond Index (CHF) (net interest reinvested), expressed in Swiss francs, hedged against foreign exchange risk with the Swiss franc as the base currency, over the recommended investment horizon of five years. The share's performance may be impacted by possible foreign exchange hedging costs.
<b>- Benchmark A, R, AD and K shares:</b>	The Thomson Reuters Global Focus Convertible Bond Index (EUR) (net interest reinvested), expressed in euros. It reflects the performance of global convertible bonds and can be accessed on the Bloomberg Terminal (UCBIFOCE) and the UBS website (with access code, ref. UCBINDEXW1414).
<b>- Benchmark A USD shares:</b>	The Thomson Reuters Global Focus Convertible Bond Index (USD) (net interest reinvested), expressed in dollars. It reflects the performance of global convertible bonds and can be accessed on the Bloomberg terminal (UICBFOCU).

<b>- Benchmark AC H-EUR, AD H-EUR and R H-EUR shares:</b>	The Thomson Reuters Global Focus Hedged (EUR) Convertible Bond Index (net interest reinvested), expressed in euros, hedged against foreign exchange risk with the euro as the base currency. It reflects the performance of global convertible bonds, hedged against foreign exchange risk with the euro as the base currency and can be accessed on the Bloomberg terminal (UCBIFX14) and the UBS website (with access code, ref. UCBINDEXW1059).
<b>- Benchmark AC H-CHF shares:</b>	The Thomson Reuters Global Focus Hedged (CHF), Convertible Bond Index (net interest reinvested), expressed in Swiss francs, hedged against foreign exchange risk with the Swiss franc as the base currency. It reflects the performance of global convertible bonds, hedged against foreign exchange risk with the Swiss franc as the base currency and can be accessed on the Bloomberg terminal (UCBIFX28) and the UBS website (with access code, ref. UCBINDEXW1068).

## 1 – Strategies used

The SICAV aims to outperform (net of charges), over the recommended investment period of five years, the benchmark:

- the Thomson Reuters Global Focus Convertible Bond Index (EUR), expressed in euros, with net interest reinvested for A, R, D and K shares;
- the Thomson Reuters Global Focus Convertible Bond Index (USD), expressed in dollars, with net interest reinvested for A USD shares;
- the Thomson Reuters Global Focus Hedged (EUR) Convertible Bond Index, expressed in euros, hedged against foreign exchange risk with the euro as the base currency, with net interest reinvested for AC H-EUR, AD H-EUR and R H-EUR shares;
- the Thomson Reuters Global Focus Hedged Convertible Bond Index (CHF), expressed in Swiss francs, hedged against foreign exchange risk with the Swiss franc as the base currency, with net interest reinvested for AC H-CHF shares.

The SICAV is actively managed using a fundamental approach comprising several analysis phases: study of the economic environment with market expectations produced by our Economic Strategy department, financial analysis of companies issuing bonds and of underlying equities and analysis of the technical features of issuance contracts.

To this end, the manager will manage the SICAV's overall exposure to interest rates and equity markets. In addition to the characteristics of the portfolio assets (exposure, equities and sensitivity), the manager will use interest-rate and equity futures to increase or decrease the SICAV's sensitivity or exposure to the equity market.

Furthermore, the SICAV will manage currency risk dynamically for shares that are not hedged against foreign exchange risk, in order to optimise performance in the medium term.

The SICAV may also actively manage interest rates through active management of the modified duration (use of BOBL or bund futures, for instance).

The SICAV may use futures, swaps, options and forward foreign-exchange contracts on regulated, organised and/or OTC markets, up to the amount of the net assets (without overexposure), in order to hedge the portfolio and/or expose it to equity, interest rate, exchange rate, credit and volatility risk.

## 2 - Assets (excluding embedded derivatives)

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**Equities:** Shares in live securities (excluding “Preferred Convertibles”) deriving from the conversion of one of the types of instrument defined below, to a maximum of 10% of net assets.

### **Debt securities and money market instruments:**

- European and foreign (including emerging) convertible bonds denominated in euros and/or in local currencies issued by companies and financial institutions and equivalent (“Preferred Convertibles”).
- European and foreign (including emerging) bonds exchangeable for shares denominated in euros and/or in local currencies issued by companies and financial institutions.
- European and foreign (including emerging) bonds with share warrants denominated in euros and/or in local currencies issued by companies and financial institutions.
- European and foreign (including emerging) bonds with warrants for participating securities denominated in euros and/or in local currencies issued by companies and financial institutions.
- Bonds whose value is indexed to a stock market index to a maximum of 15% of net assets.
- Up to 10% of net assets, may be invested in negotiable debt securities, repurchase agreements, etc.

### **UCIs:**

- French or foreign money-market, short-term money-market, bond or diversified UCITS or AIFs that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (*Code Monétaire et Financier*), to a maximum of 10% of net assets.

These UCIs may be managed by the management company.

## 3 – Derivatives

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- **Types of markets:**
    - ☒ regulated
    - ☒ organised
    - ☒ OTC
  - **The manager intends to seek exposure to:**
    - ☒ equities
    - ☒ interest rates
    - ☒ currencies
    - ☒ credit
    - ☒ other: volatility.
  - **Types of transactions – all transactions must be limited to achieving the investment objective:**
    - ☒ hedging
    - ☒ exposure
    - ☐ arbitrage
    - ☐ other
  - **Type of instruments used:**
    - ☒ **futures:**
      - ☒ equity and equity index
      - ☒ interest rate
      - ☒ currency
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- ☒ **options:**
  - ☒ equity and equity index
  - ☒ interest rate
  - ☒ currency
- ☒ **swaps:**
  - ☒ equity swaps
  - ☒ interest rate swaps
  - ☒ currency swaps
- ☒ **currency forwards**
- ☐ **credit derivatives**

- **Strategy of use of derivatives to achieve the investment objective:**

- ☒ partial or general portfolio hedging
- ☒ creating synthetic exposure to assets and risks
- ☐ increasing exposure to the market without leverage
- ☐ maximum permitted and sought
- ☐ other strategy

#### **4 – Securities with embedded derivatives**

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The manager may invest in all securities with embedded derivatives that are permitted under the management company's business plan, notably convertible bonds and warrants traded on regulated, organised and OTC markets, up to 100% of the net assets.

Within this framework, the manager may take positions with a view to hedging the portfolio against and/or exposing it to particular business sectors, geographic regions, shares (all capitalisation types), stocks and similar securities in order to achieve the investment objective.

#### **5 – Deposits**

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Up to 10% of the SICAV's assets may be held in deposits.

#### **6 – Cash borrowings**

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The SICAV may borrow cash within the limit of 10% of its assets to meet specific cash requirements related to its operating needs.

#### **7 – Temporary purchases and sales of securities**

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None.

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## 8 – Information on financial guarantees

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In order to achieve its investment objective, the SICAV may receive and provide financial guarantees.

In connection with over-the-counter derivative transactions, and temporary sales and purchases of securities, in accordance with Position paper 2013-06 issued by the French financial markets regulator (*Autorité des Marchés Financiers* – AMF), the SICAV may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash.

Any cash collateral received is reinvested in accordance with the applicable rules.

All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility.

Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

## 9 – Risk profile

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*Your money will be mainly invested in financial instruments selected by the management company. These instruments will be exposed to market trends and fluctuations.*

The risks associated with the SICAV are interest rate risk, credit risk, equity risk, foreign exchange risk and changes in the volatility of options.

### - Risk of capital loss:

The SICAV is not guaranteed or protected and therefore there is a possibility that you may not get back the full amount of your initial investment. The risk is incurred when the net asset value falls, in which case investors are not guaranteed to get back the money originally invested.

### - Equity risk:

Exposure to fluctuations in equity markets may generate significant changes in net asset value. The SICAV's net asset value may decrease during periods in which the equity markets are falling.

### - Interest rate risk:

Interest rate risk is the risk of a change in interest rates, which has an impact on the bond markets, such as the tendency for bond prices to move in the opposite direction to interest rates. If interest rates rise, the SICAV's net asset value may fall.

### - Credit risk:

The issuer of a bond may default, and this could decrease the SICAV's net asset value. Even in cases where the issuer has not defaulted, changes in credit spreads could give rise to a negative performance. The risk may be even greater if the issuer's credit quality is low, whether the issuer is in the speculative/high yield category and/or connected to emerging markets.

The decline in net asset value could be even greater if the SICAV is invested in unrated or speculative/high yield debt, or in emerging market debt.

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- **Foreign exchange risk (A, R, K, AD and A USD shares only):**

Investing in the fixed-income markets of countries outside the Eurozone generates exposure to foreign exchange risk and could lead to greater volatility.

- **Volatility risk:**

Given the options attached to securities, changes in volatility, which is the main component of the option price, could give rise to a decrease in the SICAV's net asset value for an indeterminate period.

- **Derivatives risk:**

The SICAV may be synthetically exposed up to 100% of its net assets to fixed-income and/or index-related instruments. The use of derivatives on organised and OTC markets may expose the net asset value to variations due to fluctuations in the underlying markets.

- **Counterparty risk:**

This is the risk associated with the SICAV's use of financial futures and OTC instruments, and/or temporary purchases and sales of securities.

An operation of this type with one or more eligible counterparties potentially exposes the SICAV to a risk of insolvency related to one or more of these counterparties, which could lead to default on payment.

- **Risk of emerging markets:**

The main risks relating to investments in emerging countries may be due to the sharp movements in security and currency prices in these countries, potential political instability and accounting and financial practices that are less rigorous than in the developed countries.

The SICAV's net asset value could fall in the event of a downward movement in these markets.

## 10 – Guarantee or protection

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None.

## 11 – Eligible subscribers and typical investor profile

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All subscribers seeking to optimise their investments in fixed-income instruments.

Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this SICAV.

**Information on US investors:**

The SICAV is not registered as an investment vehicle in the United States and its shares are not and will not be registered under the *Securities Act* of 1933 and, therefore, they may not be offered or sold in the United States to *Restricted Persons*, as defined hereafter.

A *Restricted Person* is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) all US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the *Securities Act* of 1933, as amended.

## FATCA:

Pursuant to the provisions of the *Foreign Account Tax Compliance Act* (“FATCA”) applicable as of July 1<sup>st</sup>, 2014, if the SICAV invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions (“foreign financial institutions”) agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

As a *foreign financial institution*, the SICAV undertakes to comply with the FATCA and to take all appropriate measures pursuant to the aforementioned intergovernmental agreement.

***The amount that it is reasonable to invest in this SICAV depends on each investor's personal circumstances. To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.***

**Recommended investment horizon: minimum five years**

## 12 – Allocation of distributable income

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Distributable income consists of:

- 1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account.  
Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors’ fees and all income generated by the securities that make up the SICAV’s portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.
- 2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be accumulated and/or distributed and/or retained independently of each other, in whole or in part.

For A, R, K, R H-EUR and A USD shares, the shareholders’ meeting decides each year on the allocation of distributable income. It may pay interim dividends.

For AC H-EUR and AC H-CHF shares, distributable income is accumulated in full, with the exception of those amounts subject to compulsory distribution by law.

For AD and AD H-EUR shares, net income is distributed in full and the shareholders’ meeting decides each year on the allocation of distributable income. It may pay interim dividends.

## 13 – Frequency of distribution

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Dividends may be distributed annually to shareholders, as appropriate, upon the decision of the shareholders' meeting called to approve the financial statements for the past financial year.

## 14 – Features of the shares (base currency, division of shares, etc.)

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The A, R, K, AD, AD H-EUR, R H-EUR and AC H-EUR shares are denominated in euros.

The A USD shares are denominated in US dollars.

The AC H-CHF shares are denominated in Swiss francs.

All shares may be divided into thousandths of a share.

## 15 – Terms and conditions of subscription and redemption

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### Calculation of net asset value (NAV):

Date and frequency of NAV calculation:

- Valuation day (D) = any day that is not a public holiday in France and on which the Paris and New York stock exchanges are open.
- NAV calculation and publication date = business day following the valuation day, i.e. (D+1).

### Where/how NAV is published or made available:

NAV is notified daily online at:

[www.lazardfreresgestion.com](http://www.lazardfreresgestion.com)

and displayed in the management company's offices.

### Address of the institution designated to receive subscription and redemption orders:

#### CACEIS BANK FRANCE SA

Bank and investment services provider accredited by the CECEI on April 1<sup>st</sup>, 2005

Registered office: 1-3 Place Valhubert – 75013 Paris, France

Shareholders are informed that if orders are sent to sales agents other than the establishment mentioned above, they must take account of the fact that the deadline for the centralisation of orders at CACEIS Bank France shall apply to the said sales agents.

Consequently, such distributors may apply their own cut-off time, which may be earlier than the cut-off time indicated above, in order to take into account the time required to transmit orders to CACEIS Bank France.

### Processing, execution and settlement of orders:

Subscription and redemption orders processed before 11 a.m. on each NAV valuation day D will be executed on the basis of the NAV of valuation date D. This NAV is calculated on the business day following the valuation day, i.e. D+1.

Initial subscriptions may not be less than one share for all shares, with the exception of K shares for which the minimum amount of the initial subscription may not be less than EUR 500,000.

Subscription settlement date: Two business days following the valuation date (D+2 business days).

Redemption settlement date: Two business days following the valuation date (D+2 business days).

## 16 – Fees and expenses

### ▪ Subscription and redemption fees:

Subscription and redemption fees are respectively added to the subscription price paid by the investor or deducted from the redemption price paid. The fees earned by the SICAV are used to cover the charges that it incurs in investing or divesting the assets under management. The remaining fees are paid to the management company, the distributor, etc.

<i>Charges payable by the investor at the time of subscriptions and redemptions</i>	<i>Basis</i>	<i>Rate</i>
<b>Subscription fees not retained by the SICAV</b> (A, R, K, AD, AD H-EUR, AC H-EUR, R H-EUR, A USD and AC H-CHF)	NAV x number of shares	Maximum 4 % incl. taxes
<b>Subscription fees retained by the SICAV</b> (A, R, K, AD, AD H-EUR, AC H-EUR, R H-EUR, A USD and AC H-CHF)	n/a	None
<b>Redemption fees not retained by the SICAV</b> (A, R, K, AC H-EUR, R H-EUR, A USD and AC H-CHF)	NAV x number of shares	Maximum 1 % incl. taxes
<b>Redemption fee retained by the SICAV</b> (A, R, K, AD, AD H-EUR, AC H-EUR, R H-EUR, A USD et AC H-CHF)	n/a	None

Exemption: No subscription and/or redemption fee will be charged in the case of a redemption followed by a subscription, on the same day, for the same amount, based on the same NAV. The value date for the redemption will also be applied to the subscription.

<i>Expenses charged to the SICAV</i>	<i>Basis</i>	<i>Rate</i>	
<b>Financial management fees and administrative fees external to the management company</b>	Net assets excluding UCIs managed by Lazard Frères Gestion SAS	<b>A shares:</b> 0,85% incl. taxes Maximum rate <b>R shares:</b> 1,50% incl. taxes Maximum rate <b>K shares:</b> 0,85% incl. taxes Maximum rate <b>AD shares:</b> 0,85% incl. taxes Maximum rate <b>A USD:</b> 0,85% incl. taxes Maximum rate <b>AC H-EUR:</b> 0,90% incl. taxes Maximum rate <b>AD H-EUR:</b> 0,90% incl. taxes Maximum rate <b>AC H-CHF:</b> 0,95% incl. taxes Maximum rate <b>R H-EUR:</b> 1,55% incl. taxes Maximum rate	
<b>Turnover commission</b> (0 to 100% received by the management company and 0 to 100% received by the custodian)	Maximum charge incl. taxes on each transaction	Equities, convertible bonds and similar instruments	0,25%
		Futures	None
<b>Performance fees</b>	n/a	None	

Only the contributions payable for the management of the UCI pursuant to Article L. 621-5-3 II 3° d) of the French Monetary and Financial Code and any exceptional legal costs related to debt recovery are outside the scope of the three blocks of charges referred to above.

Repurchase agreements are executed at market prices.

▪ **Operating and management fees:**

These include the costs of financial, administrative and accounting management, statutory auditors' and custodians' fees and audit, legal, registration and distribution fees.

▪ **The following may be charged in addition to the operating and management fees:**

- performance fees. These reward the management company when the SICAV exceeds its objectives, and are therefore charged to the SICAV.
- transaction charges made up of:
  - brokerage fees comprising commission paid to intermediaries and other levies.
  - turnover commission charged to the SICAV, if applicable.

All revenue resulting from efficient portfolio management techniques, net of direct and indirect operating costs, is returned to the SICAV. All costs and fees relating to these management techniques are borne by the SICAV.

For any further information, shareholders may refer to the annual report.

## 17 – Outline of the counterparty selection procedure

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The counterparties used in fixed-income management are selected using a range of valuation criteria:

- Quality of order execution and negotiated prices;
- Quality of operational service in processing orders;
- Coverage of information when monitoring markets;
- Quality of macroeconomic and financial research.

The listing of a counterparty requires the following:

- accurate identification of the counterparty and verification that it is properly certified;
- production of the rating assigned to the counterparty by a ratings agency if this is available

Counterparties will be credit institutions from OECD member countries.

The fixed-income managers report at least twice a year to the management company's Broker Committee, with an assessment of the services provided by the various brokers and a breakdown of transaction volumes. The Broker Committee approves any updates to the list of authorised brokers.

## III - SALES AND MARKETING INFORMATION

**Publication of information about the SICAV:**

**LAZARD FRERES GESTION SAS**  
25, Rue de Courcelles – 75008 Paris, France

**Customer Relations**

☎ +33 (0)1 44 13 01 79

**Availability of commercial documentation on the SICAV:**

The commercial documentation related to the SICAV shall be made available to the shareholders at the registered office of Lazard Frères Gestion SAS, 25, rue de Courcelles, 75008 Paris.

Information regarding environmental, social and corporate governance (ESG) issues is available on the management company's website ([www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)) and will be included in the SICAV's annual report.

**Information in the event of a change in the operation of the SICAV:**

The shareholders shall be informed of any changes in the operation of the SICAV in the press or by any other means in accordance with the prevailing regulations. This information may, where relevant, be provided through Euroclear France financial intermediaries affiliated with it.

Information about the use of investment decision-making support and order execution services can be found on the management company's website ([www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)).

## IV – INVESTMENT RULES

The SICAV's investment rules are laid down in the French Monetary and Financial Code.

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## V – AGGREGATE RISK

The SICAV's aggregate risk is calculated using the commitment method.

## VI – ASSET VALUATION AND ACCOUNTING RULES

### 1 – Asset valuation rules

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➤ **Financial instruments and securities traded on a regulated market are valued at their market price.**

- **Shares and similar securities** are valued on the basis of the last known price on their main market.

If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

- **Fixed-income securities**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)® derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

- **Bonds and similar instruments** are valued on the basis of the average of the closing prices gathered from several contributors.

Financial instruments whose prices have not been determined on the valuation date or whose prices have been adjusted are valued at their probable trading price under the responsibility of the SICAV's board of directors.

These estimates and their supporting documentation will be provided to the statutory auditor during audits.

However, the following instruments are valued using the following specific methods:

- **Negotiable debt securities:**
    - **Negotiable debt securities with a residual maturity of more than three months:**

Negotiable debt securities traded in large volumes are valued at market price. In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic features.

Benchmark rate	
Negotiable debt securities in euros	Negotiable debt securities in other currencies
Euribor, OISs and BTFs - 3 – 6 – 9 – 12 months BTANS - 18 months, 2 – 3 – 4 – 5 years	Official key rates in the relevant countries

- **Negotiable debt securities with a residual maturity of three months or less:**  
Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.
- **UCIs:**  
Units or shares of UCIs are valued at the last known NAV.  
Units or shares of UCIs for which NAVs are published monthly may be valued on the basis of interim NAVs calculated from estimated prices.
- **Temporary purchases and sales of securities**
  - Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (overnight Eonia, one- or two-week interbank rates, one- to 12-month Euribor) corresponding to the term of the contract.
  - Securities sold under repurchase agreements continue to be valued at their market price. Liabilities on securities sold under repurchase agreements are calculated using the same method as that used for securities purchased under repurchase agreements.
- **Futures and options**
  - Futures and options are valued on the basis of intraday trading prices the timing of which is based on that of the valuation of the underlying assets.

Positions taken on the futures or options markets and over the counter are valued at their market price or at the value of the equivalent underlying asset.

➤ **Financial instruments and securities not traded on a regulated market**

All of the SICAV's securities are traded on regulated markets.

➤ **Valuation methods for off-balance sheet commitments**

Off-balance sheet transactions are valued at the commitment value.

The commitment value for futures contracts is equal to the price (in the SICAV's currency) multiplied by the number of contracts multiplied by the face value.

The commitment value for options is equal to the price of the underlying security (in the SICAV's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.

The commitment value for swaps is equal to the face value of the contract (in the SICAV's currency).

## 2 – Accounting policies

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- **Income from fixed-income securities**
    - Income from fixed-income securities is recorded on the basis of accrued interest.
  - **Management fees**
    - Management fees are calculated on each valuation date.
-

- The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) less UCIs managed by Lazard Frères Gestion using the following formula:

$$\begin{array}{rcl} & & \text{(Gross assets – UCIs managed by Lazard Frères Gestion SAS)} \\ x & & \text{operating and management fees rate:} \\ x & & \frac{\text{no. of days until next NAV}}{365 \text{ (or 366 in a leap year)}} \end{array}$$

- This amount is then recorded in the SICAV's income statement.
- The SICAV pays the operating fees, which include:
  - . financial management;
  - . administration and accounting;
  - . custody services;
  - . other operating fees:
    - . statutory auditors' fees;
    - . legal notices (*Balo, Petites Affiches*, etc.) if applicable.

These fees do not include transaction charges.

#### ▪ **Transaction charges**

Transactions are recorded excluding charges.

#### ▪ **Retrocessions received on management fees or entry charges**

The method used to calculate retrocession amounts is set out in the sales and marketing agreements.

- If the amount is significant, a provision is recognised in account 617.

The final amount is recognised upon settlement of invoices after reversal of any provisions.

#### ▪ **Method related to swing pricing adjustments to net asset value (NAV) with a trigger level:**

To avoid disadvantaging unitholders that remain in the Fund, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Fund's outstandings, which may generate costs for unitholders entering and leaving the Fund that would otherwise have been allocated across all unitholders in the Fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of shares in the SICAV exceeds a threshold predetermined by the financial sub-manager on the basis of objective criteria and expressed as a percentage of the net assets in the SICAV, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each share category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each share category in the SICAV.

The cost parameters and trigger level shall be determined by the financial sub-manager and shall be reviewed periodically, and at least every six months. These costs shall be estimated by the management company based on transaction fees, bid/offer spreads and tax charges applicable to the SICAV.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the SICAV, it is not possible to predict a given time in the future at which it will be applied. Consequently, neither is it possible to predict the precise frequency at which the financial sub-manager will have to make such adjustments, which shall not exceed 2,00% of the NAV. Investors should be aware that the volatility of the SICAV's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

## **ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

### **Right to publicly market shares in Germany**

Lazard Frères Gestion SAS (the “Company”) has notified its intention to publicly market shares in the Federal Republic of Germany and since completion of the notification process it has the right to publicly market shares.

### **Paying and Information Agent in Germany**

The function of paying and information agent in the Federal Republic of Germany is carried out by:

**Landesbank Baden-Württemberg**  
Am Hauptbahnhof 2  
70173 Stuttgart  
Germany

(the “Paying and Information Agent”).

On request, shareholders residing in Germany may request that they receive payments (distributions if any, and any other payments), except redemption proceeds, from the Company through the Paying and Information Agent.

Copies of the prospectus, the key investor information document (KIID), the terms and conditions, as well as the audited annual report and, if subsequently published, the unaudited semi-annual report can be obtained free of charge in hardcopies at the registered office of the Paying and Information Agent. The subscription and redemption prices are available free of charge at the Paying and Information Agent’s premises.

### **Additional Information Agent**

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

The prospectus, the key investor information document (KIID), the terms and conditions, as well as the audited annual report and, if subsequently published, the unaudited semi-annual report can be obtained on the website of Lazard Asset Management: <http://www.lazardnet.com>. The subscription and redemption prices are also available on the website of Lazard Asset Management: <http://www.lazardnet.com>.

### **Additional Paying Agent**

**Lazard Frères Gestion SAS**  
25, Rue de Courcelles  
75008 Paris  
France

Subscription and redemption applications may be sent to the Company. Shareholders residing in Germany may request that they receive redemption proceeds from the Company.

Any subscription or redemption request received by Lazard Frères Gestion SAS shall be settled “delivery versus payment” via Euroclear.

### **Publications**

In Germany, the subscription and redemption prices will be published on the website of Lazard Asset Management: <http://www.lazardnet.com>.

Shareholder notifications, if any, will be published on the website of Lazard Asset Management: <http://www.lazardnet.com>.

# ARTICLES OF ASSOCIATION OF THE SICAV

## LAZARD CONVERTIBLE GLOBAL

*Registered offices: 121, Boulevard Haussmann, 75008, Paris,  
France.*

**Paris Trade and Companies Register 333 455 459**

### TITLE I

#### FORM – OBJECT – NAME – REGISTERED OFFICES – TERM OF THE COMPANY

##### Article 1 FORM

An investment company with variable capital (*Société d'Investissement à Capital Variable* - SICAV) shall be formed among the holders of shares created hereinafter and shares to be subsequently created. The SICAV shall be governed notably by the provisions of the French Commercial Code concerning limited companies (*sociétés anonymes*) (Book II – Title II – Chapter V), the French Monetary and Financial Code (Book II – Title I – Chapter IV – Section I – Sub-section I), their implementing texts, subsequent texts and by these articles of association.

##### Article 2 OBJECT

The object of this company is to set up and manage a portfolio of financial instruments and deposits.

##### Article 3 NAME

The name of the company is: “**LAZARD CONVERTIBLE GLOBAL**” followed by the notation “*Société d'investissement à Capital Variable*”, with or without the term “SICAV”.

##### Article 4 REGISTERED OFFICES:

The registered offices are established at 121, Boulevard Haussmann, Paris 8<sup>th</sup> *arrondissement*, France.

##### Article 5 TERM

The term of the company is 99 years from the date of its registration in the Trade and Companies Register, unless it is dissolved prior to this or extended as provided for herein.

### TITLE II

#### CAPITAL – CHANGES IN CAPITAL – FEATURES OF THE SHARES

##### Article 6 SHARE CAPITAL

The initial capital totals FFR 123 000 000 divided into 12 300 fully paid up shares, i.e. the equivalent of **EUR 18 751 350** divided into **12 300** shares of **EUR 1 524,50 each**.

It was created from cash payments.

Share classes:

The features of the different share classes and their eligibility requirements are set out in the SICAV's prospectus.

The different share classes may:

- apply different dividend policies (distribution or accumulation);
- be denominated in different currencies;
- be subject to different management fees;
- be subject to different subscription and redemption fees;
- have a different par value;
- be systematically hedged, in full or in part, against risk as set out in the prospectus. This hedging is achieved through financial instruments that reduce to a minimum the impact of hedging transactions on the Fund's other unit classes;
- be reserved to one or more distribution networks.

The shares may be combined or split upon the decision of the Extraordinary Shareholders' Meeting.

The shares may be sub-divided upon the decision of the board of directors into tenths, hundredths, thousandths or ten-thousandths, referred to as fractional shares.

The provisions hereof governing the issue and redemption of shares shall apply to fractional shares, the value of which shall always be proportional to the value of the share they represent. Unless otherwise stipulated, all other provisions hereof relating to shares shall automatically apply to fractional shares.

#### **Article 7 CHANGES IN CAPITAL**

The amount of capital may be changed as a result of the issue of new shares by the company and reductions following the redemption of shares by the company for shareholders who so request.

#### **Article 8 ISSUE AND REDEMPTION OF SHARES**

Shares may be issued at any time at the request of shareholders on the basis of the net asset value plus subscription fees, if any.

Redemptions and subscriptions shall be made under the conditions and in accordance with the procedures set out in the prospectus.

Any subscription for new shares must be fully paid up or shall otherwise be cancelled, and the shares issued shall have the same dividend date as the shares existing on the date of issue.

Pursuant to Article L. 214-7-4 of the French Monetary and Financial Code, redemption by the company of its shares, and the issue of new shares, may be temporarily suspended by the board of directors in exceptional circumstances and if required in the interests of shareholders.

No shares may be redeemed if the net assets of the SICAV are less than the regulatory amount.

#### **Article 9 CALCULATION OF NET ASSET VALUE**

The net asset value of shares is calculated according to the valuation rules set out in the prospectus.

Further, if the shares are listed for trading, the exchange operator will calculate an instant indicative net asset value.

Contributions in kind may consist only of securities, stocks or contracts that are eligible to form the assets of UCITS; they are valued according to the valuation rules used to calculate the net asset value.

#### **Article 10 FORM OF THE SHARES**

Shares may be in bearer or registered form, at the subscriber's discretion.

Pursuant to Article L. 211-4 of the French Monetary and Financial Code, the securities must be registered in accounts kept by the issuer or an authorised intermediary, as the case may be.

Holders' rights will be represented by an entry in an account their name:

- with the intermediary of their choice for bearer securities;
- with the issuer and, if they so wish, with the intermediary of their choice for registered securities.

The company may, at its own expense, request the name, nationality and address of the SICAV's shareholders, as well as the number of securities held by each of them, in accordance with Article L. 211-5 of the French Monetary and Financial Code.

#### **Article 11 ADMISSION TO TRADING ON A REGULATED MARKET AND/OR A MULTILATERAL TRADING FACILITY**

The shares may be listed for trading on a regulated market and/or a multilateral trading facility, in accordance with applicable regulations.

If the SICAV whose shares are admitted to trading in a regulated market has an investment objective based on an index, it must have set up a system to ensure that the price of its share does not deviate significantly from its net asset value.

#### **Article 12 RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES**

Each share entitles the holder to a portion of the company's assets and a share of the profits in proportion to the fraction of the capital that the share represents.

The rights and obligations attached to the share follow the security, regardless of ownership.

Whenever the exercise of a right is conditional upon a certain number of shares being held and specifically in the case of a swap or consolidation of shares, holders of individual shares or of less than the required number of shares may only exercise such rights if they personally undertake to consolidate their holdings and, if applicable, to buy or sell the necessary quantity of shares.

#### **Article 13 INDIVISIBILITY OF SHARES**

All co-owners of shares or assignees are required to be represented with the company by a single person named by mutual agreement or, failing such agreement, appointed by the Chief Judge of the Commercial Court with jurisdiction for the registered offices.

Holders of fractional shares may consolidate their holdings. In this case, they shall be represented under the conditions stipulated in the preceding paragraph by a single person, who shall exercise, for each group, the rights attached to ownership of a full share.

In cases where beneficial ownership and bare ownership are separated, the division of voting rights at shareholders' meetings between the beneficial owner and the bare owner is left to the discretion of the parties concerned, who should inform the company accordingly.

### ***TITLE III***

#### **ADMINISTRATION AND MANAGEMENT OF THE COMPANY**

##### **Article 14 ADMINISTRATION**

The company is administered by a board of directors with at least three and no more than 18 members, appointed by the shareholders' meeting.

During the life of the company, the directors shall be appointed or re-appointed by the ordinary shareholders' meeting.

Directors may be individuals or legal entities. When elected, legal entities must appoint a permanent representative who shall be subject to the same conditions and obligations as well as the same civil and criminal liabilities as a member of the board of directors acting in a personal capacity, without prejudice to the liability of the legal entity that he represents.

The permanent representative shall have the same term of office as the legal entity represented. If the legal entity terminates the appointment of its representative, it must notify the SICAV immediately by registered mail and also inform the SICAV of the identity of its new permanent representative. The same applies in the event of the permanent representative's death, resignation or extended incapacity.

##### **Article 15 TERM OF OFFICE OF DIRECTORS – REPLACEMENT OF THE BOARD**

Subject to the provisions of the final paragraph of this article, the directors' term of office is three years for initial directors and up to six years for subsequent directors, with each year being understood as the period between two consecutive annual shareholders' meetings.

If one or more directors' seats become vacant between two shareholders' meetings as a result of death or resignation, the board of directors may make interim appointments.

A director appointed by the board on an interim basis to replace another shall remain in office only for the remaining term of office of his predecessor. This appointment shall be subject to ratification at the next shareholders' meeting.

All directors shall be eligible for re-election. They may be dismissed at any time by the ordinary shareholders' meeting.

Each director's term of office shall expire at the close of the ordinary shareholders' meeting called to approve the financial statements for the past financial year and held in the year during which the director's term of office expires, it being understood that, if the meeting is not held in that year, the term of office of the director concerned shall expire on December 31<sup>st</sup> of the same year, subject to the exceptions hereafter.

All directors may be appointed for a term of less than six years where necessary to ensure that changes are made as regularly as possible and that all members have changed by the end of each six-year period. This will be the case in particular if the number of directors is increased or decreased, affecting the regular replacement of the board.

Where the number of members of the board of directors falls below the legal minimum, the remaining member or members must immediately call an ordinary shareholders' meeting in order to fill the vacant seats on the board.



The age limit for members of the board of directors is set at 80. However, directors over this age limit may, under exceptional circumstances, be reappointed for a further period of six years; the total number of directors reappointed under these conditions may not exceed three.

The board of directors may be partially renewed.

In the event of the resignation or death of a director, and where the number of directors still in office is equal to or greater than the statutory minimum, the board may appoint a temporary replacement for the remaining term of office.

#### **Article 16 BUREAU OF THE BOARD**

The board shall elect a chairman from among its members for a term determined by it, but which may not exceed the chairman's term of office as a director. The chairman must be an individual.

The chairman of the board of directors shall organise and direct the board's activities, and shall report on these to the shareholders' meeting. He shall supervise the operation of the company's corporate bodies, and ensure in particular that the directors are able to perform their duties.

If he considers it appropriate, he shall also appoint a vice- chairman and may also choose a secretary, who need not be member of the board.

In the event of the temporary incapacity or death of the chairman, the board of directors may agree to delegate the chairman's functions to a director.

#### **Article 17 BOARD MEETINGS AND RESOLUTIONS**

The board of directors shall meet when convened by the chairman, as often as the company's interests require, either at the registered offices or at any other location indicated in the notice of meeting.

Whenever the board has not met for more than two months, at least one-third of its members may ask the chairman to convene a meeting based on a specific agenda. The chief executive officer may also ask the chairman to convene a board meeting based on a specific agenda. The chairman must honour such requests.

Company bylaws may determine, in accordance with legal and regulatory provisions, the conditions for organising meetings of the board of directors, which except when held for the adoption of resolutions that are expressly excluded from this option under the French Commercial Code, may take place via video-conference.

Notices of meetings are sent to directors by ordinary letter post or given verbally.

A quorum of at least half the members is required in order for decisions to be valid. Decisions are adopted by a majority vote of members present or represented. Each director has one vote. In the event of a tie, the chairman shall cast the deciding vote.

Where video-conferencing is permitted, the company's bylaws may stipulate, in accordance with the regulations in force, that directors participating in a board of directors' meeting via video-conference are deemed present for the purpose of quorum and majority calculations.

#### **Article 18 MINUTES**

Minutes are written up and copies or excerpts of decisions are issued and certified as required by law.

#### **Article 19 POWERS OF THE BOARD OF DIRECTORS**

The board of directors shall determine guidelines for the company's activities and oversee their implementation. Within the limits of the corporate object and subject to the powers expressly granted by law to shareholders' meetings, the board shall consider any issue that affects the proper operation of the company and settle any matters concerning the company through its decisions.

The board of directors shall carry out such controls and audits that it considers appropriate. The chairman or the chief executive officer is required to provide each director with all documents and information needed to perform his or her duties.

A director may authorise another director to represent him at a meeting of the board of directors under the conditions established by law.

Each director may hold only one proxy pursuant to the preceding paragraph per meeting.

The provisions of the preceding paragraphs shall apply to the permanent representative of a director that is a legal entity.

#### **Article 20 EXECUTIVE MANAGEMENT – NON-VOTING BOARD MEMBERS**

The company is managed under the responsibility of the chairman of the board of directors or by another individual appointed by the board with the title of chief executive officer.

The choice between the two forms of executive management shall be made under the conditions established herein by the board of directors for a period expiring at the end of the current chairman's term of office. Shareholders and third parties shall be informed of this choice under the conditions defined by the applicable legislative and regulatory provisions.

Based on the board of directors' choice as stipulated above, the company will be managed by either the chairman or a chief executive officer.

If the board of directors decides to separate the offices of chairman and chief executive officer, it shall appoint the chief executive officer and set the term of his appointment.

If the chairman of the board of directors assumes responsibility for the executive management of the company, the following provisions regarding the chief executive officer shall apply.

Subject to the powers expressly attributed by law to shareholders' meetings as well as those specifically reserved by law to the board of directors, and within the limits of the corporate purpose, the chief executive officer is vested with the broadest powers to act in all circumstances on behalf of the company. He shall exercise these powers within the limits of the corporate object and subject to the powers expressly attributed by law to shareholders' meetings and the board of directors. He shall represent the company in its dealings with third parties.

The chief executive officer may authorise any partial delegation of his powers to any person of his choice.

The chief executive officer may be removed from office at any time by the board of directors.

On the recommendation of the chief executive officer, the board of directors may appoint up to five individuals, with the title of deputy chief executive officer, to assist the chief executive officer.

Deputy chief executive officers may be removed from office at any time by the board upon the recommendation of the chief executive officer.

In agreement with the chief executive officer, the board shall determine the scope and duration of the powers delegated to deputy chief executive officers.

Such powers may include a right of partial delegation. If the chief executive officer resigns or is dismissed or is unable to perform his duties, the deputies shall retain their powers and positions, unless the board decides otherwise, until the appointment of a new chief executive officer.

Deputy chief executive officers shall have the same powers vis-à-vis third parties as the chief executive officer.

The age limit of the chief executive officer and deputy chief executive officers is set at 65.

The shareholders' meeting may appoint one or more non-voting board members.

The term of office for non-voting board members shall be a maximum of six years. It shall expire at the close of the ordinary shareholders' meeting called to approve the financial statements for the past financial year and held in the year during which the non-voting board members' term of office expires.

Non-voting board members may be re-elected at any time without limitation; they may be removed from office at any time upon the decision of the shareholders' meeting.

In the event of the death or resignation of one or more non-voting board members, the board of directors may co-opt their successor(s), this provisional appointment being subject to ratification at the next shareholders' meeting.

Non-voting board members are responsible for ensuring the strict enforcement of the articles of association. They attend board meetings in an advisory capacity. They examine statements of assets and liabilities and the annual financial statements and offer their comments on these matters to the shareholders' meetings when they consider it appropriate to do so. Remuneration of non-voting board members is decided upon by the board.

#### **Article 21 BOARD ALLOCATIONS AND REMUNERATION**

Directors may be allocated an annual lump sum for attendance at board meetings, the amount of which shall be determined by the ordinary shareholders' meeting. This amount, which shall be charged to overheads, shall remain unchanged until further decision.

The board shall divide this remuneration among its members as it sees fit.

The chairman's and the chief executive(s)' remuneration shall be set by the board of directors and may be fixed or both fixed and variable.

The board of directors may also allocate special payments for tasks and duties assigned to directors; any such payments will be charged to operating expenses and subject to the approval of the ordinary shareholders' meeting.

Directors may not be granted any other remuneration, permanent or otherwise, other than pursuant to an employment agreement with the company under the conditions provided for by law.

#### **Article 22 CUSTODIAN**

The custodian is appointed by the board of directors.

The custodian performs the tasks for which it is responsible under applicable laws and regulations as well as those assigned to it contractually by the Fund or the management company.

In particular, the custodian must ensure that the decisions of the management company are lawful. It shall take any protective measures it considers appropriate.

In the event of a dispute with the management company, it shall inform the AMF.

#### **Article 23 PROSPECTUS**

The board of directors or, where the SICAV has delegated full responsibility for management, the management company, has all necessary powers to make, as needed, any amendments to the prospectus to ensure the proper management of the company, pursuant to the legislative and regulatory provisions specific to SICAVs.

### ***TITLE IV***

#### **STATUTORY AUDITORS**

#### **Article 24 APPOINTMENT - POWERS - REMUNERATION**

The statutory auditor is appointed by the board of directors for a term of six financial years, following AMF approval, from among persons authorised to perform such duties in commercial companies.

The statutory auditor shall certify that the financial statements give a true and fair view of the company.

The statutory auditor's term may be renewed.

The statutory auditor has a duty to report promptly to the AMF any fact or decision concerning the Fund of which he has become aware in the course of his duties and which is liable to:

1. Constitute a breach of the laws or regulations that apply to that body that is likely to have a significant impact on its financial situation, profits or assets;
2. Affect the conditions or the continuity of its operations;
3. Lead to the expression of reservations or the refusal to certify the accounts.

The statutory auditor shall oversee the valuation of assets and the calculation of exchange ratios used in the event of a conversion, merger or split.

The statutory auditor shall assess any contribution in kind under his own responsibility.

He shall check the accuracy of the composition of assets and other information prior to publication.

The statutory auditor's fees shall be set by mutual agreement between the statutory auditor and the SICAV's board of directors, on the basis of a work schedule setting out the procedures deemed necessary.

The statutory auditor shall certify the positions used as the basis for the distribution of interim dividends.

## ***TITLE V***

### **SHAREHOLDERS' MEETINGS**

#### **Article 25 SHAREHOLDERS' MEETINGS**

Shareholders' meetings shall be convened and shall deliberate under the conditions provided for by law.

The annual shareholders' meeting, which must approve the company's financial statements, must be held within four months of the close of the financial year.

Meetings shall be held either at the registered offices or at any other location specified in the notice of meeting.

Each shareholder may participate in the Shareholders' Meetings, either in a personal capacity or by appointing another person as proxy, subject to proof of identity and share ownership either in the form of registration in the registered share accounts held by the company or of registration in the bearer securities registry, at the places specified in the notice of meeting; these formalities must be completed two days before the meeting date.

A shareholder may be represented at a meeting in accordance with Article L. 225-106 of the French Commercial Code.

A shareholder may also vote by post under the conditions provided for in the applicable regulations.

Shareholders' meetings shall be chaired by the chairman of the board of directors or, in his absence, by a vice-chairman or a director appointed by the board for that purpose. Failing this, the shareholders' meeting shall elect the chairman itself.

Minutes of meetings shall be written up and copies certified and issued as required by law.

## ***TITLE VI***

### **ANNUAL FINANCIAL STATEMENTS**

#### **Article 26 FINANCIAL YEAR**

The company's financial year begins on the day after the last trading day in Paris in October and ends on the last trading day in Paris of the same month in the following year.

Nevertheless, as an exception, 2015 shall include all transactions performed between January 1<sup>st</sup>, 2015 and the last trading day in October 2015, and as an exception shall comprise ten months.

## **Article 27 ALLOCATION OF DISTRIBUTABLE INCOME**

Distributable income consists of:

1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account.

Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees and all income generated by the securities that make up the SICAV's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be accumulated and/or distributed and/or retained independently of each other, in whole or in part.

For A, R, K, R H-EUR and A USD shares, the shareholders' meeting decides each year on the allocation of distributable income. It may pay interim dividends.

For AC H-EUR and AC H-CHF shares distributable income is accumulated in full, with the exception of those amounts subject to compulsory distribution by law.

For AD and AD H-EUR shares, net income is distributed in full and the shareholders' meeting decides each year on the allocation of distributable income. It may pay interim dividends.

## ***TITLE VII***

### **EXTENSION - DISSOLUTION – LIQUIDATION**

#### **Article 28 EXTENSION OR EARLY DISSOLUTION**

The board of directors may, at any time and for any reason, recommend the extension, early dissolution or liquidation of the SICAV to an extraordinary shareholders' meeting.

The issue of new shares and redemption by the SICAV of shares for shareholders who so request shall cease on the date of publication of the notice of the shareholders' meeting at which a resolution for the early dissolution and liquidation of the company is considered, or at the end of the company's term.

#### **Article 29 LIQUIDATION**

At the end of the term set by the articles of association or in the case of a resolution for early dissolution, the shareholders' meeting shall decide, on the recommendation of the board of directors, the method of liquidation and shall appoint one or more liquidators.

Liquidation procedures are established in accordance with Article L. 214-12 of the French Monetary and Financial Code.

The liquidator shall represent the company and shall be authorised to pay creditors and distribute the remaining balance. The appointment of the liquidator shall terminate the powers held by the directors, but not those held by the statutory auditor.

The liquidator may, pursuant to a resolution of the extraordinary shareholders' meeting, contribute all or part of the assets, rights and obligations of the dissolved company to another company, or transfer such assets, rights and obligations to a company or to any other person.

The net proceeds from the liquidation, after settlement of liabilities, shall be distributed in cash or securities among the shareholders.

During the liquidation process, the duly constituted shareholders' meeting shall retain the same authority as during the life of the company, including in particular the power to approve the liquidation accounts and discharge the liquidator.

## ***TITLE VIII***

### **DISPUTES**

#### **Article 30 JURISDICTION – ADDRESS FOR SERVICE**

Any disputes that may arise during the company's operations or at the time of its liquidation, either between shareholders and the company or among the shareholders themselves, concerning the business of the company, shall be judged in accordance with the law and submitted to the courts with jurisdiction.

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