

## PROSPECTUS

French UCITS-compliant fund subject to European Directive 2009/65/EC

LAZARD ACTIONS EURO

FCP

This UCITS is managed by LAZARD FRERES GESTION SAS

## I - GENERAL FEATURES

### FUND'S FORM

Name	Lazard Actions Euro
Legal form	Fonds Commun de Placement (FCP)
Inception date - term	This UCI was created on 19/01/2006 for a period of 99 years.

### Fund overview

ISIN code	Allocation of distributable income		Base currency	Eligible investors	Minimum initial subscription	Initial NAV
	Allocation of net income	Allocation of net realised capital gains				
Unit R FR0010679886	Accumulation and/or Distribution and/or Retention	Accumulation and/or Distribution and/or Retention	EUR	All subscribers	1 unit	500 EUR
Unit IC FR0010259945	Accumulation	Accumulation	EUR	All subscribers	1 unit	369.18 EUR
Unit ID FR0011710557	Distribution	Accumulation and/or Distribution and/or Retention	EUR	All subscribers	1 unit	100 EUR

ISIN code	Allocation of distributable income		Base currency	Eligible investors	Minimum initial subscription	Initial NAV
	Allocation of net income	Allocation of net realised capital gains				
Unit T FR0013305984	Accumulation and/or Distribution and/or Retention	Accumulation and/or Distribution and/or Retention	EUR	Authorised investors (a)	500000 EUR*	500 EUR
Unit S FR0013300035	Accumulation	Accumulation	EUR	All subscribers	20000000 EUR*	10000 EUR

\* With the exception of the management company, which may only subscribe for one unit.

(a) Authorised investors and minimum subscription amount:

- no minimum subscription amount for (i) UCIs managed by the management company or (ii) the management company in the context of proprietary investment;
- no minimum subscription amount for (i) investors subject to MiFID II (solely and exclusively in the context of their independent advisory activities or the provision of third-party investment management services) or (ii) investors that do not receive retrocession payments on their activities in foreign countries that are not subject to this directive, subject to the prior agreement of the management company;
- a minimum initial subscription amount mentioned in the table above for all other investors.

The difference between the three units IC, ID and R is due to the fact that the IC and ID units are mainly intended to be distributed directly by the management company to private and institutional clients, while the R units are mainly intended to be distributed by partners of the management company or by third- party management companies.

The UCI's prospectus, latest annual and periodic reports, the composition of assets and LAZARD FRERES GESTION SAS's standards regarding the exercise of voting rights, as well as the report on 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:

Customer service - Monday to Friday - 9 to 18

Tél. +33 (0)1 44 13 01 79

where further information may be obtained if necessary.

## II - SERVICE PROVIDERS

Management company	LAZARD FRERES GESTION SAS 25, rue de Courcelles – 75008 Paris Management company incorporated under French law authorised by the French securities regulator (Autorité des Marchés Financiers – AMF) on 28th December 2004, no. GP 04 0000 68
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Custodian	<p>LAZARD FRERES BANQUE 175 boulevard Haussmann - 75008 Paris Credit institution incorporated under French law authorised by the French Credit Institutions and Investment Firms Committee (Comité des Etablissements de Crédit et des Entreprises d'Investissement - CECEI) under no. 30748. 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.</p> <p><u>Sub-delegation:</u> A description of the functions of delegated custody agents, a list of the custody and sub-custody agents of Lazard Frères Banque, and information on conflicts of interest that may arise in relation to these agents are available on the Lazard Frères Banque website: <a href="http://lazardfreresbanque.fr">http://lazardfreresbanque.fr</a> Investors may obtain updated information on request. The custodian operates independently of the investment management company.</p>
Delegated registrar of shares	<p>CACEIS BANK 1-3, Place Valhubert - 75013 Paris Public limited company with a board of directors Bank and investment services provider accredited by the CECEI on April 1st, 2005.</p>
Delegated agent for the centralisation of subscription and redemption orders	<p>CACEIS BANK 1-3 place Valhubert - 75013 Paris The management company has delegated management of the Fund's liabilities to CACEIS Bank, which is therefore responsible for centralising and processing subscription and redemption orders for the Fund's units <b>Co-centralisation:</b> LAZARD FRERES BANQUE 175 boulevard Haussmann - 75008 Paris On behalf of clients for whom it provides custody account-keeping services</p>
Accounting management by delegation	<p>CACEIS FUND ADMINISTRATION 1-3 place Valhubert - 75013 Paris</p>
Statutory auditor	<p>CABINET DELOITTE &amp; ASSOCIES 6 place de la Pyramide, 92908 Paris-La Défense Cedex Signatory - M. Olivier Galienne</p>
Promoter	<p>LAZARD FRERES GESTION SAS 25, rue de Courcelles - 75008 Paris</p>
Advisor (if applicable)	NA
Sub-investment manager (if applicable)	NA

### III - OPERATION AND MANAGEMENT

## GENERAL FEATURES

### 1. Features

Characteristics of units	
ISIN code Unit R	FR0010679886
ISIN code Unit IC	FR0010259945
ISIN code Unit ID	FR0011710557
ISIN code Unit T	FR0013305984
ISIN code Unit S	FR0013300035
Rights attached to the UCI's units	Each unitholder has an ownership right in the UCI's assets in proportion to the number of units owned.
Voting rights	No voting rights are attached to the UCI's units since decisions are taken by the management company.
Form of the units	Bearer or administered registered at the unitholder's discretion. The UCI is listed with Euroclear France.
Fractional or whole units	The UCI's units may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the units).
Financial year end	Last valuation date in September.
First financial year end	Last valuation date in September 2006.
Taxation	The tax treatment of the Fund's unrealised or realised capital gains or losses depends on the tax rules applicable to the particular circumstances of each investor and/or the Fund's investment jurisdiction. If you are unsure of the tax rules applying to your particular circumstances, you should consult a professional adviser.

## OTHER SPECIFICATIONS

Fund of fund		None
Classification		Eurozone country equities
Investment objective	Unit R, Unit IC, Unit ID, Unit T, Unit S	The investment objective is to achieve over the recommended investment horizon of 5 years, a return (net of charges) above the following benchmark: Eurostoxx. The benchmark is expressed in EUR. Nets dividends or coupons are reinvested.

Benchmark indicator	Unit R, Unit IC, Unit ID, Unit T, Unit S	Eurostoxx The Eurostoxx index, expressed in euros, consists of the largest listed companies in the Eurozone, weighted by market capitalisation. Data is available on the website: <a href="http://www.stoxx.com">www.stoxx.com</a> Bloomberg code: SXXT Index
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As at the date of this prospectus, the benchmark index administrator, namely [STX Ltd], is listed on ESMA's register of administrators and benchmark indices. Additional information on the benchmark index can be found on the administrator's website at [[www.stoxx.com](http://www.stoxx.com)].

The management company will ensure that this link is still valid in future updates of the UCI's prospectus.

## 1. Strategies used

A company's rate of return on invested capital above the cost of capital reflects its economic performance, as shown in its long-term stock market performance. Accordingly, the strategy applied within the Fund is based on the following:

- Identifying companies with the best economic performance profiles.
- Verifying that performance through financial analysis and examination of underlying strategies.
- Selecting stocks from such companies according to the market's undervaluation of that performance at a given time.
- Building a portfolio within the Eurozone but with no other geographical or sectoral restrictions.

The focus on achieving the optimum ratio between the company's economic performance and valuation may result in wide divergences between the Fund's performance and its sector and/or country mix and those of the underlying asset class, i.e. large caps from the Eurozone.

## 2. Assets (excluding embedded derivatives)

### **Equities:**

At least 90% of net assets are invested in shares, predominantly large caps listed and/or domiciled in the eurozone, although this is an objective rather than a constraint.

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

French and foreign negotiable debt securities (mainly French treasury bills and BTAN medium-term treasury notes) to a maximum of 10% of net assets.

### **UCIs**

French UCITS or French AIFs to a maximum of 10% of the net assets. Investment is solely in UCIs that in turn invest less than 10% of their assets in other UCIs.

These UCIs may be managed by the management company.

## 3. Derivatives

- Types of markets:
  - ☒ regulated

- ☒ organised
- ☒ OTC
- The manager intends to seek exposure to:
  - ☒ equities
  - ☐ interest rates
  - ☐ currencies
  - ☐ credit
  - ☐ other
- 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
    - ☐ other
  - ☒ options:
    - ☒ equity and equity index
    - ☐ interest rate
    - ☐ currency
    - ☐ other
  - ☐ swaps:
    - ☐ equity swaps
    - ☐ interest rate swaps
    - ☐ currency swaps
    - ☐ performance swaps
  - ☐ currency forwards
  - ☐ credit derivatives
  - ☐ other
- 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
  - ☐ maximum permitted and sought
  - ☐ other strategy

#### 4. Securities with embedded derivatives

None

## 5. Deposits

Up to 10% of the UCIs assets may be held in deposits.

## 6. Cash borrowings

The UCI 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

None

## 8. Information on financial guarantees

In connection with over-the-counter derivative transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (Autorité des Marchés Financiers- AMF), the UCI 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

### Disclaimer

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

### • Risk of capital loss

There is no guarantee of the UCI's performance or protection of capital. As such, the investor may not get back the full amount of the initial investment during redemption.

### • Risk related to discretionary management

Discretionary management is based on anticipation of market trends. The UCI's performance is dependent both on the selection of securities and UCI picked by the manager and the manager's asset allocation. There is therefore a risk that the manager will not select the best performing securities and that the asset allocation is not optimal.

### • Equity risk

Share price fluctuations may have a negative impact on the UCI's net asset value. The UCI's net asset value

may decrease during periods in which the equity markets are falling.

- **Market capitalisation risk**

The volume of small- and mid-cap stocks traded on the stock market is lower than that of large caps, which means they can be more significantly impacted by market movements than large caps. The UCI's net asset value may decline quickly and sharply.

- **Liquidity risk**

The risk that a financial market cannot absorb transaction volumes due to trading volumes being too low or pressure on the markets. Such a situation may impact the pricing or timing when the UCI liquidates, initiates or modifies positions and thus cause a decline in the UCI's net asset value.

- **Counterparty risk**

this type with one or more counterparties potentially exposes the UCI to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the UCI's net asset value.

- **Interest rate risk**

The risk of a decline in debt instruments as a result of changes in interest rates. This risk is measured by the level of sensitivity. For instance, bond prices tend to move in the opposite direction to interest rates. The net asset value may decline during periods when there is an increase (positive sensitivity) or decrease (negative sensitivity) in interest rates.

## 10. Guarantee or protection

None

## 11. Eligible subscribers and typical investor profile

Any subscriber seeking exposure to equity risk.

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

### **Information on US investors:**

The UCI is not registered as an investment vehicle in the United States and its units 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) any 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 1st, 2014, if the UCI 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 UCI 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 UCI 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

This UCI may not be suitable for investors planning to withdraw their contributions within 5 years.

## 12. 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 UCIs 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 distributed independently of each other, in whole or in part.

Unit	Allocation of distributable income
R , T	The allocation of distributable income is decided each year by the Management Company. It may pay interim dividends.
IC , S	All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law
ID	Net income is distributed in full and the allocation of net realised capital gains is decided each year by the Management Company. It may pay interim dividends.

## 13. Frequency of distribution

The IC and S units is an accumulation units.

Dividends may be paid out annually to holders of R and T units, as appropriate, upon the decision of the management company.

Dividends are paid out annually to holders of ID units. Interim dividends may be paid.

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

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Unit	Base currency
R, IC, ID, T, S	EUR

Unit	Division
R, IC, ID, T	In thousandths
S	In whole number

## 15. Terms and conditions of subscription and redemption

Subscription and redemption orders are accepted in amount and/or in units.

### Date and frequency of NAV calculation

The net asset value is calculated every day except Saturdays and Sundays, public holidays in one of the following countries: France.

The net asset value is not calculated on the closing days of one of the following stock exchanges: Paris.

Where and how to find out the net asset value: the net asset value is published daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

### Address of the institutions designated to receive subscription and redemption orders

CACEIS BANK - 1-3 place Valhubert - 75013 Paris

Bank and investment services provider accredited by the CECEI on April 1st, 2005.

Investors are reminded that orders transmitted to distributors other than the institution referred to above must take into consideration the fact that the cut-off time for the processing of orders applies to the said distributors vis-à-vis the institution referred to above. 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 the institution referred to above.

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

On behalf of clients for whom it provides custody account-keeping services

Orders are executed as indicated in the table below

Business d	Day on which NAV is set (d)	Business d+1	Business d+2	Business d+2
Daily order reception and daily centralisation of redemption orders before 11:00 a.m. (Paris time)	Order executed by the latest on d	Publication of the net asset value	Settlement of subscription	Settlement of redemptions

### Minimum subscription amount:

- IC, ID and R units: initial subscriptions may not be for less than one unit.
- S units: initial subscriptions may not be less than €20 million.
- T units:
  - Without a minimum subscription amount (i) for UCIs managed by the management company or (ii) for the management company for its own account;
  - Without a minimum subscription amount (i) for investors subject to the MiFID II Directive (exclusively and solely in the context of their independent advisory activity or the provision of a portfolio management service on behalf of third parties) or (ii) for investors with activities that do not receive retrocession in foreign countries not subject

- to this directive, subject to the prior approval of the management company;
- With a minimum initial subscription amount of €500,000 for other investors.

Subscriptions preceded by a redemption received from the same shareholder on the same day for the same number of units at the same NAV may be executed.

## 16. Fees and expenses

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 UCI 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.

Charges payable by the investor during subscription and redemption	Basis	Unit	Rate (maximum incl. taxes)
Subscription fees not retained by the UCI	NAV x number of units	R, IC, ID, T, S	4.0%
Subscription fees retained by the UCI	NAV x number of units	R, IC, ID, T, S	0.0%
Redemption fees not retained by the UCI	NAV x number of units	R, IC, ID, T, S	0.0%
Redemption fees retained by the UCI	NAV x number of units	R, IC, ID, T, S	0.0%

Expenses charged to the UCI	Basis	Unit	Rate (maximum incl. taxes)		
Financial management fees	Net assets	R	1.730%		
		IC	1.080%		
		ID	1.080%		
		T	1.080%		
		S	0.650%		
Administrative fees external to the management company	Net assets	Applied to all the units	0.020%		
Indirect charges	N.A	Applied to all the units	None		
				Up to €100 000	0.48%

Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Applied to all the units	French equities	From €100 001 to €200 000	0.31%
				From €200 001 to €300 000	0.24%
				Over €300 000	0.17%
			Eurozone equities excluding France	Up to €100 000	0.90%
				From €100 001 to €200 000	0.58%
				From €200 001 to €300 000	0.45%
				Over €300 000	0.31%
			Fixed-income instruments	None	
			Futures and other transactions	From €0 to €450 per contract	
Performance fees	Net assets	R, IC, ID, T	None		
		S	15% of the outperformance relative to benchmark index		

**\* Calculation of the performance fee:**

Performance fees are calculated using a high water mark system based on a comparison of the performance of the Fund's S units (excluding variable management fees) with the assets of a benchmark fund:

- with a baseline value equal to the value of the Fund's S units at the close of the last year to date in which performance fees were charged;

- and with a daily performance equal to that of the Euro Stoxx (net dividends reinvested) in euros and registering the same variations in subscriptions and redemptions as the Fund's S units.

If, at the close of the financial year, the assets of the Fund's S units (excluding variable management fees) exceed those of the benchmark fund, a performance fee will be charged equal to 15% (including taxes) of the difference in value between the assets of the Fund's S units and the benchmark fund.

The performance fee will first be deducted after a period of 12 months or more.

Performance fees are accrued on each NAV calculation date and are levied with effect from the closing date of each financial year.

A provision reversal will be booked every time that the difference between the two asset values decreases. If the Fund underperforms, i.e. if the asset value of the S units is lower than that of the benchmark fund, the provision will be reversed up to the full amount of the existing allocation, excluding variable management fees earned.

The provisions in existence at the end of the financial year, and the portion of the fee deriving from purchases of units during the financial year, will be paid to the management company.

Only the contributions payable for the management of the UCI pursuant to Article L. 621-5-3 II 4° d) of the French Monetary and Financial Code (Code monétaire et financier) 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.

With the exception of brokerage fees and accounting management costs, all of the charges referred to above are levied as part of the joint venture arrangement between Lazard Frères Banque and Lazard Frères Gestion SAS which since 1995 has enabled them to pool their financial control, administration, securities custody and execution resources.

All revenue resulting from efficient portfolio management techniques, net of direct and indirect operating costs, is allocated to the UCI. All costs and expenses related to these management techniques are assumed by the UCI.

For further information, investors may refer to the management report.

## 17. Outline of the counterparty selection procedure

The selection of intermediaries used in equity fund management is a result of:

- requests from managers to add new brokers
- a financial analysis of the broker's accounts, carried out externally.

These intermediaries are used exclusively in terms of inflows relating to equities. Lazard Frères Gestion SAS' Broker Committee ratifies all decisions to authorise new intermediaries.

At least twice yearly, the equity investment team holds a Broker Committee meeting to evaluate the services of its intermediaries, by reviewing four key criteria:

- research
- services offered
- quality of execution
- level of commissions

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

## IV - SALES AND MARKETING INFORMATION

Publication of information about the UCI	LAZARD FRERES GESTION SAS
	25, rue de Courcelles 75008 Paris France
	Customer service - Monday to Friday - 9 to 18 Tel +33 (0)1 44 13 01 79

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 fund's annual report.

The management company may send, directly or indirectly, information on the composition of the UCI's assets to the UCI's shareholders for purposes related solely to shareholders' regulatory obligations. This information will be sent, where applicable, within a period not less than 48 hours after publication of the NAV.

### **Information in the event of a change in the operation of the UCI:**

The shareholders shall be informed of any changes in the operation of the UCI 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 (SADIE) can be found on the management company's website ([www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)).

## V - INVESTMENT RULES

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

## VI - AGGREGATE RISK

The aggregate risk is calculated using the commitment method.

## VII - ASSET VALUATION AND ACCOUNTING RULES

### **1. ASSET VALUATION RULES**

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**1.1. 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)<sup>®</sup> 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.

- o **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 Management Company.

. 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:

- o **Negotiable debt securities:**

Negotiable debt securities are marked to market based on either Bloomberg prices (BVAL and/or BGN)<sup>®</sup> 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.

The valuation of money market instruments complies with the provisions of Regulation (EU) 2017/1131 of 14 June 2017. Consequently, the UCI does not use the amortised cost method.

- **UCIs:** Units or shares of UCIs are valued at the last known net asset value. Units or shares of UCIs for which net asset values are published monthly may be valued on the basis of interim net asset values 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.

## **1.2. Financial instruments and securities not traded on a regulated market**

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

## **1.3. 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 UCI'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 UCI'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 UCI's currency).

## 2. ACCOUNTING POLICIES

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The UCI complies with the accounting rules prescribed by current regulations, in particular the accounting standards applicable to UCIs. The financial statements are presented in accordance with the regulatory provisions governing the preparation and publication of financial statements of undertakings for collective investment.

### • 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 day.
- The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees):

Gross assets

x operating and management fees rate

x no. of days between the calculated NAV and the previous NAV

365 (or 366 in a leap year)

- These amounts are 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 61719.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.



FUND REGULATIONS  
LAZARD ACTIONS EURO

## Title I - Assets and Units

### ARTICLE 1 - CO-OWNERSHIP UNITS

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Co-ownership rights are expressed in units, where each unit corresponds to any single fraction of the Fund's assets. Each unitholder has an ownership right in the assets of the Fund in proportion to the number of units owned.

The Fund's term is 99 years from 19/01/2006, except in the event that the Fund is dissolved before the end of the term or extended pursuant to these regulations.

Unit classes:

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

The different unit 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 UCITS' other unit classes;
- be reserved to one or more distribution networks.

Possibility of combining or splitting units.

The units may be sub-divided, upon the decision of the management company, into hundredths or thousandths of units, referred to as fractional units.

The provisions hereof governing the issue and redemption of units shall apply to fractional units, the value of which shall always be proportional to the value of the unit they represent. Unless otherwise stipulated, all other provisions hereof relating to units shall automatically apply to fractional units. At the sole discretion of the management company, the units may be split by creating new units to be allocated to unitholders in exchange for existing units.

### ARTICLE 2 - MINIMUM AMOUNT OF ASSETS

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Units may not be redeemed if the assets are less than 300,000 (three hundred thousand) euros. When the assets

remain under this level for thirty days, the management company shall take all necessary measures to dissolve the Fund concerned or to undertake one of the operations mentioned in Article 411-16 of the General Regulation of the French financial markets regulator (Autorité des Marchés Financiers – AMF) (UCITS transfer).

### **ARTICLE 3 - ISSUE AND REDEMPTION OF UNITS**

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Units may be issued at any time upon request of unitholders 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. The UCI's shares may be listed for trading, in accordance with applicable regulations.

Subscriptions must be fully paid-up as of the date of the calculation of the net asset value. They may be undertaken in cash and/or by contribution of financial instruments. The management company is entitled to refuse the instruments proposed and, to that end, has seven days in which to give its decision. In the event that the instruments are accepted, they are valued according to the rules set out in Article 4, and subscription is undertaken using the first net asset value following acceptance of the instruments in question.

Redemptions may be made in cash and/or in kind. If the redemption in kind corresponds to a representative share of the assets in the portfolio, only the outgoing unitholder's written and signed agreement must be obtained by the UCI or management company. If the redemption in kind does not correspond to a representative share of the assets in the portfolio, all of the unitholders must provide their written signed agreement authorising the outgoing unitholder to obtain redemption of their units against certain specific assets, as explicitly defined in the agreement.

In general, the assets redeemed are valued according to the rules set out in Article 4, and the redemption in kind is undertaken using the first net asset value following acceptance of the instruments in question.

Redemptions are paid by the account keeper within at most five days of the unit's valuation day.

Under exceptional circumstances, however, where reimbursement requires the prior disposal of assets held in the UCI, this period may be extended up to a maximum of 30 days.

With the exception of inherited or gifted units, the sale or transfer of units between unitholders or between unitholders and third parties is deemed to be a redemption followed by a subscription. If the beneficiary of the sale or transfer is a third party, the beneficiary must add the amount necessary, if any, to increase the total to the minimum subscription amount indicated in the Prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code (Code monétaire et financier), redemption by the UCI of its units, and the issue of new units, may be temporarily suspended by the management company in exceptional circumstances and if required in the interests of unitholders.

No units may be redeemed if the net assets of the UCI are less than the regulatory amount.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code and Article 411-20-1 of the General Regulation of the French financial markets regulator (Autorité des Marchés Financiers - AMF), the management company may decide to put a cap on redemptions if warranted by exceptional circumstances and in the interest of the unitholders and the general public.

The method used for this capping mechanism and the measures for informing the unitholders must be described in detail.

The UCI may cease to issue units on a temporary or permanent basis, in part or in full, pursuant to the provisions

set out in the third paragraph of Article L. 214-8-7 of the French Monetary and Financial Code, in objective situations that warrant the closure of subscription such as cases where the maximum number of issued units has been reached, the maximum amount of assets has been reached, or the subscription period has expired. If such partial or full closure is activated, the existing unitholders must be informed by all available means, including details of the threshold and objective situation that triggered the decision. In the case of partial closure, the existing unitholders must also be informed in detail of the methods by which they can continue to subscribe during this partial closure period. The unitholders must also be informed by all available means if the UCI or management company decide to discontinue the full or partial subscription closure period (when the activation threshold is no longer exceeded) or continue the closure period (change in the threshold or the objective situation that warranted implementation of the measure). Any change in the specified objective situation or in the activation threshold must always be in the interest of the unitholders. Information by any means shall specify the exact reasons for such changes.

## **ARTICLE 4 - CALCULATION OF THE NET ASSET VALUE**

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

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

## **Title II - Fund Operation**

## **ARTICLE 5 - MANAGEMENT COMPANY**

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The management company is responsible for managing the Fund in accordance with the orientation stated for the Fund.

The management company shall take all necessary decisions to change the Fund's investment strategy or policy, in the interests of investors. Such changes may be subject to the approval of the AMF.

In all circumstances, the management company shall act in the sole interest of the unitholders and is solely authorised to exercise the voting rights attached to the securities held by the Fund.

## **ARTICLE 5A - OPERATING RULES**

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The instruments and deposits eligible for inclusion in the Fund as well as the investment rules are shown in the prospectus.

## **ARTICLE 5B - ADMISSION TO TRADING IN A REGULATED MARKET AND/OR A MULTILATERAL TRADING SYSTEM**

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The units may be admitted to trading on a regulated market and/or a multilateral trading facility, in accordance with applicable regulations. If the Fund whose units are admitted for trading on 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 units does not deviate significantly from its net asset value.

## **ARTICLE 6 - CUSTODIAN**

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The custodian performs the tasks for which it is responsible under the legal and regulatory provisions in force as well as those entrusted to it contractually by 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 7 - STATUTORY AUDITOR**

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A statutory auditor is appointed by the management company's governance body for a term of six financial years, following AMF approval.

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 fund and that is likely to have significant effects 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 verify 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 management company's board of directors or executive board 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. His fees are included in the management fees.

## **ARTICLE 8 - FINANCIAL STATEMENTS AND MANAGEMENT REPORT**

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At the close of each financial year, the management company shall prepare the financial statements and a report on the management of the Fund during the year just ended.

The management company shall draw up an inventory of the UCI's assets at least every six months and under the control of the Custodian.

The management company shall make these documents available to unitholders within four months of the end of the financial year and shall inform them of the amount of income to which they are entitled.

These documents shall be either sent by post, at the request of unitholders, or made available to them at the management company's premises.

## **Title III - Distribution of distributable income**

### **ARTICLE 9 - DISTRIBUTION 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 Fund's portfolio, plus income generated by temporary cash holdings, 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.

Details of the relevant process are provided in the prospectus under the section entitled "Allocation of distributable income".

## **Title IV - Merger - Split - Winding-up - Liquidation**

### **ARTICLE 10 - MERGER - SPLIT**

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The management company may either contribute the assets of the Fund, in whole or in part, to another UCITS managed by it, or split the Fund into two or more open-end funds.

These merger or split transactions may only be undertaken after the unitholders have been informed. They shall give rise to a new certificate specifying the number of units held by each unitholder.

### **ARTICLE 11 - WINDING-UP - EXTENSION**

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If the assets of the Fund remain less than the amount set forth in Article 2 above for 30 days, the management company shall inform the AMF thereof and either merge the Fund with another open-end investment fund (FCP) or dissolve the Fund.

The management company may dissolve the Fund prior to its termination date; in this case, it shall inform unitholders of its decision and from then on subscriptions and redemptions shall no longer be accepted.

The management company shall also dissolve the Fund if it receives redemption applications for all units, if the custodian ceases to discharge its responsibilities and no other custodian is designated or if at the end of the Fund's duration, its termination date has not been extended.

The management company shall inform the AMF by letter of the chosen date and dissolution procedure. It shall then send the statutory auditors' report to the AMF. A Fund's extension may be decided by the management company with the custodian's agreement. Its decision must be taken at least three months before the Fund's planned duration and communicated to the unitholders and the AMF.

## **ARTICLE 12 - LIQUIDATION**

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In the event that the Fund is dissolved, the management company shall be responsible for liquidation transactions; otherwise, the liquidator shall be appointed by the court at the request of any interested party.

In this regard, they shall be granted the widest possible powers to sell assets, pay creditors, if any, and divide the remaining balance among unitholders in cash or in securities. The statutory auditor and custodian shall continue to perform their duties until the end of the liquidation transactions.

## **Title V - Settlement of disputes**

## **ARTICLE 13 - JURISDICTION - ADDRESS FOR SERVICE**

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All disputes relative to the Fund that may arise during its lifetime or at the time of liquidation, be they disputes between unitholders, or between unitholders and the management company or the custodian shall be submitted to the courts of competent jurisdiction.

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