



LAZARD SELECT AUSTRALIAN EQUITY FUND

(ARSN 095 115 414)

Product Disclosure Statement

ISSUED:
30 June 2009

EXPIRES:
30 June 2010



Contents



You are encouraged to read the entire document before you make any investment decision.

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NOTES

This Product Disclosure Statement (“PDS”) is dated 30 June 2009.

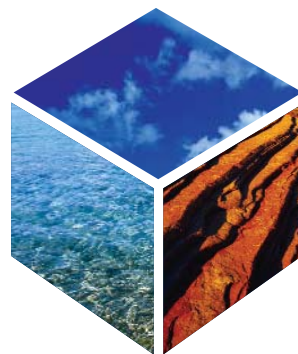
Lazard Asset Management Pacific Co., ABN 13 064 523 619, (“**Lazard Pacific**”) holds an Australian Financial Services Licence, number 238432, and is the Responsible Entity of the Lazard Select Australian Equity Fund (“**Fund**”) available for investment through this PDS. Lazard Pacific is the issuer of the PDS and the units in the Fund. Units to which this PDS relates will only be issued on the receipt of an application form included in or accompanied by this PDS.

The Fund has been designed for medium to longer-term investment and is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Your investment does not represent deposits or other liabilities of any member of the Lazard Group (“**Lazard**”). Neither Lazard Pacific nor any member of the Lazard Group, including Lazard Asset Management LLC and its affiliates guarantees in any way the performance of the Fund, repayment of capital from the Fund, any particular return from or any increase in the value of the Fund.

This PDS has not been prepared taking into account the investment objectives, financial situation or needs of any particular investor. You should get professional advice as to whether investment in the Fund is appropriate having regard to your particular investment needs, objectives and financial circumstances before investing.

This PDS does not constitute an offer or invitation in any place where, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the units or the offer or otherwise to permit a public offering of the units in any jurisdiction outside Australia. The distribution of this PDS in jurisdictions outside Australia may be restricted by the laws of those jurisdictions. A failure to comply with these restrictions may constitute a violation of the laws in those jurisdictions. Any applicant from a jurisdiction outside Australia must warrant that their application and its acceptance by Lazard Pacific does not breach the applicable laws of that jurisdiction. A paper copy of this PDS is available free of charge on request or by downloading the PDS from our web site, www.lazardnet.com.au or from your IDPS operator. Lazard Pacific reserves the right to change the terms and conditions in this PDS.

The Lazard Select Australian Equity Fund



WHO MANAGES THE FUND

Lazard Asset Management Pacific Co. (“Lazard Pacific”) is the Responsible Entity for the Fund. It is a subsidiary of Lazard Asset Management LLC (“LAM”) which managed \$A103 billion in assets worldwide as at 31 March 2009. LAM has research analysts in the USA, Australia, Germany, Japan, Korea and the UK. Lazard Pacific is responsible for the management of assets for clients across domestic equities, global equities, and alternative assets. As at 31 March 2009 Lazard Pacific had \$A12 billion in assets under management for clients.

INVESTMENT OBJECTIVE

The Lazard Select Australian Equity Fund (“the Fund”) seeks to achieve total returns (includes income and capital appreciation and before the deduction of fees and taxes) that exceed those of the S&P/ASX 200 Accumulation Index (“the benchmark”) by 5% per annum over rolling five-year periods.

The Fund invests primarily, but not exclusively, in companies among the 200 largest listed on the Australian Stock Exchange. The number of stocks will generally range from 12 to 25. That means we take active investment decisions to invest in companies that we believe are out of favour for temporary reasons and trading below their intrinsic value.

From time to time, the actual number of stocks will typically depend on our assessment of the relative value of the companies that form the Value Rank.

Where opportunities are fairly evenly matched, the number of investments held could be increased, and additional diversification gained, without diminishing the expected return from the Fund. In this circumstance, the number of stocks held may be greater than the indicated range.

INVESTMENT PHILOSOPHY

Lazard Pacific believes that share prices move away from their intrinsic value. However, in time, supply and demand tend toward balance, encouraging mean reversion in interest rates, currencies, economic growth, profit margins, returns on capital and valuations. Lazard Pacific also believes that objective, independent research and disciplined execution of the investment strategy will reward investors willing to take the longer view.

INVESTMENT PROCESS AND STRATEGY

In searching for under-valued companies, Lazard Pacific follows a three-step investment process, prior to portfolio construction. This process is neither static nor sequential, but ongoing.

1. **Analytical Framework** – Lazard Pacific screens primarily, but not exclusively, among the 200 largest listed companies on the Australian Stock Exchange. Companies are generally excluded from our investable universe on the grounds of a lack of liquidity, based on our current funds under management, or lack of a sound business model.

2. **Accounting Validation and Fundamental Analysis** – Lazard Pacific’s analysts use a variety of sources, including both Lazard’s global research input and the Industry Advisory Panel, to augment what is learned about a company’s business and financials during the accounting validation process. Fundamental analysis is conducted primarily to consider the sustainability of returns, based on an historical perspective, with the objective to forecast the best expectations of future sustainable earnings. Each company’s valuation comprises an analyst’s report that focuses on two key drivers: the company’s sustainable earnings (usually three years forward) and the appropriate relative earnings yield at which these sustainable earnings should be capitalised, forming the basis of our best estimate of “intrinsic value”.
3. **Relative Value Ranking** – After critical peer review by the investment team, each company’s valuation is included in the “Value Rank”. The investable universe of companies are ranked according to their potential upside, with reference to the differential between their ascribed “intrinsic value”, as determined by step 2, and the current prevailing market price, including the dividends likely in the forward three years. Effectively, each company is then assessed on an equal footing with reference to the total expected per annum return as calculated over the next three years, assuming that in the third year, the company’s share price reaches our ascribed “intrinsic value”.

As mentioned in step 2, our fundamental research efforts are enhanced through communication with Lazard’s global equity analysts. Lazard Pacific’s Industry Advisory Panel comprises a group of director-level individuals who, together, have management experience in most of Australia’s industries.

The portfolio management team constructs the portfolio from the shares it believes are the most attractive shares in the value ranking, taking into account portfolio construction rules which are designed to diversify economic risks. Quantitative analysis is also used to monitor the portfolio for unintended risks.

If Lazard Pacific decides to change the investment strategy for this Fund, unitholders will be provided with at least 30 days notice before this change takes place.

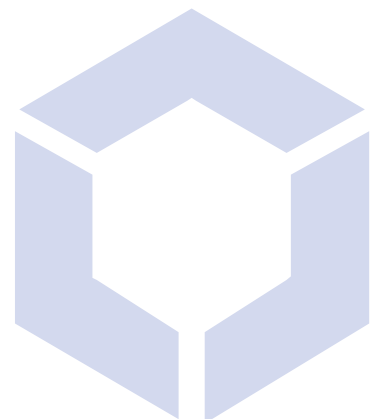
INVESTMENTS

Lazard Pacific has broad investment powers under the Constitution. However, it can only exercise these powers in accordance with its duties as Responsible Entity to meet the Fund’s Investment Objective as stated in this PDS. Although the Constitution permits Lazard Pacific to borrow, it does not intend to borrow other than to meet short-term cash needs.

As part of Lazard Pacific’s accounting validation and fundamental analysis of companies, Lazard Pacific may consider labour standards or environmental, social or ethical considerations, where these may impact the company’s value. However Lazard Pacific does not have a predetermined view on what these standards or considerations are and does not follow any specific methodology regarding them when making investment decisions.

INVESTING THROUGH AN INVESTOR DIRECTED PORTFOLIO SERVICE (“IDPS”)

Lazard Pacific authorises IDPS operators to use this PDS as disclosure for investors or potential investors. Such indirect investors do not acquire the rights of a unitholder in the Fund. Rather, the IDPS operator acquires the rights of a unitholder on behalf of indirect investors. Therefore, indirect investors do not receive distributions or reports directly from Lazard Pacific, do not negotiate fees with Lazard Pacific and do not have a right to attend meetings of unitholders. Indirect investors should not complete the attached application form. Instead, indirect investors who wish to invest in the Fund should complete the application form in the IDPS disclosure document provided by the IDPS operator.



SUMMARY OF THE OFFER

Classes of units offered	W and I (see "Classes of units in the Fund" for more information).	
Minimum initial investment	\$A5,000,000	
Withdrawal	In normal circumstances, withdrawal requests will be satisfied within 6 business days from the date of acceptance of the withdrawal request. The withdrawal period could be extended up to a maximum of 20 business days in certain circumstances. Payments cannot be made to a third party or a non-Australian bank account.	
Unit pricing	Unit prices are generally calculated each business day in NSW, however, in certain circumstances unit prices may be calculated more than once on any business day.	
Borrowings	The Fund currently has no borrowings and Lazard Pacific does not intend to borrow other than to meet short-term cash needs.	
Entry / Exit Fee	Nil.	
Buy / Sell Spread	+ 0.20% / - 0.20%	
Distributions	Income, if of an economic size, is distributed quarterly, or at any other time at the discretion of Lazard Pacific.	
	I Class	W Class
Investment Costs	0.92% p.a.	1.07% p.a.
Administration Costs	0.08% p.a.	0.08% p.a.
Indirect Cost Ratio	1.00% p.a.	1.15% p.a.

NOTES:

1. Lazard Pacific may, in its discretion, accept a lower initial investment and balance amount or reject an application in total.
2. The fees quoted above are inclusive of the net effect of GST.
3. Lazard Pacific may in its discretion rebate or waive part of its fees to investors that satisfy the requirements of the relevant ASIC Class Order.
4. Please refer to "Fees and Other Costs" for additional information on fees and expenses.

BENEFITS OF INVESTING IN THE FUND

Some of the benefits of investing in the Fund are:

1. The Fund gives investors access to the returns available from investing in Australian shares through a professionally managed vehicle.
2. The Fund aims to achieve a return for investors that meets or exceeds our stated investment objective.
3. The Fund is managed by a team of investment professionals with many years experience managing Australian equity strategies. They will also have access to Lazard's Global Research Platform and the Industry Advisory Panel.
4. The investment professionals have access to investment and risk management systems and processes to which ordinary investors usually do not have access.
5. Investors have timely access to their investment and are provided with daily Fund valuations (daily unit prices).
6. Multiple investors have been pooled into a relatively large Fund which provides investors with access to investment opportunities and diversity which they usually can't achieve.

FUND PERFORMANCE

Current information about the Fund's performance may be obtained by contacting your IDPS Operator (where you invest through an IDPS). For other investors, this information can be obtained from Lazard Pacific on (02) 8274 1400 or from our website at www.lazardnet.com.au.

DERIVATIVES

The Fund may invest in financial derivatives including (but not limited to) forward agreements, futures and option contracts, warrants, swaps, share ratios, spot and forward currency transactions and currency options. Derivatives may be used to facilitate the overall investment strategy of the Fund. It is intended that derivatives will be backed by cash or other assets in the Fund which means that they will not be used to gear or leverage the Fund. Lazard Pacific has a Derivative Risk Statement ("DRS") which summarises the policies we have in place covering the use of derivatives, the controls on their use and the processes for assessing compliance with those controls. A copy of the DRS is available upon request.

INVESTMENT RISKS

Risk management is integral to Lazard Pacific's overall approach to managing investments. Its investment processes are designed to manage risk at a number of different levels within the Fund. However, investors should be aware not all risks are foreseeable and they may experience a capital loss on their units. Further there may be periods where the Fund does not distribute any income. The significant risks for the Fund are:

Active management risk

We actively seek securities to invest in, rather than investing in a predetermined basket of securities such as an index. The Fund's performance may deviate significantly from its stated benchmark given our style of investing and our longer-term view of a company's intrinsic value. The relatively concentrated nature of the Fund can result in large out/underperformance of the benchmark.

Market risk

Investors should be aware that the value of their units will rise or fall depending on the market value of the shares in which the Fund invests. The market value of shares will be affected (either positively or negatively) by general equity market conditions and by any company or sector specific events. Equity markets in recent times have experienced substantial declines (and rebounds), which is a reminder of the significant volatility which can be experienced when investing in this asset class. Investors should carefully consider this volatility before making their investment decision.

Macro risk

The value of your investment may be affected by factors such as financial market volatility, economic cycles and economic climate, political events, government policy and taxation and regulatory changes. In an uncertain economic environment, the likelihood of a macro event occurring which impacts the market, can be higher than in a more stable environment. The Australian market is often impacted by global events, and a general global market downturn may adversely affect the Fund's investments.

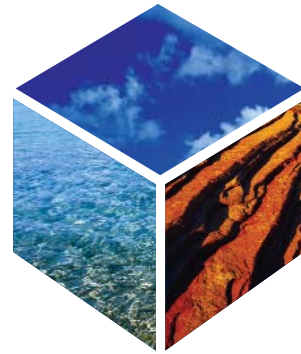
Company or sector specific risk

This risk is inherent in a particular stock or sector's performance due to factors that are only related to them. Examples of company or sector specific events include the entry of a new competitor or regulatory changes.

Liquidity risk

Some securities in which the Fund will invest, especially those of companies which have a smaller total market capitalisation, may be thinly traded and, therefore, have to be sold at a discount from current market prices or sold in small lots over an extended period of time.

Fees and Other Costs



The information in the following box is standardised across all product issuers and does not provide information which relates specifically to fees and costs in this Fund and, therefore, does not reflect the fees and costs you will be charged. Please refer to the information immediately following this box for information specifically on this Fund.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole. Taxation information is set out in another section of this PDS. You should read all of the information about fees and costs as it is important to understand their impact on your investment.

<i>TYPE OF FEE OR COST</i>	<i>AMOUNT</i>	<i>HOW AND WHEN PAID</i>
<i>FEES WHEN YOUR MONEY MOVES IN AND OUT OF THE FUND</i>		
<i>Establishment Fee</i> The fee to open up your investment.	Not applicable.	Not applicable.
<i>Contribution Fee</i> The fee on each amount contributed to your investment.	Not applicable during the life of this PDS.	See "Maximum Fees" below.
<i>Withdrawal Fee</i> The fee on each amount you take out of your investment.	Not applicable during the life of this PDS.	See "Maximum Fees" below.
<i>Termination Fee</i> The fee to close your investment.	Not applicable.	Not applicable.
<i>MANAGEMENT COSTS</i>		
The fees and costs for managing your investment.	Administration Costs of 0.08% p.a. of the Net Asset Value PLUS Investment Costs for I Class of 0.92% p.a. of the Net Asset Value or for W Class of 1.07% p.a. of the Net Asset.	Calculated daily and deducted directly from the value of the assets of the Fund. Payable at the end of each month. The Investment Costs can be negotiated - see "Additional Explanation of Fees and Costs" below. Additional information on fees is included in "Maximum Fees" below.
<i>SERVICE FEES</i>		
<i>Investment Switching Fee</i> The fee for changing investment options.	Not applicable during the life of this PDS.	See "Maximum Fees" below.

ADDITIONAL EXPLANATION OF FEES AND COSTS

Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

<i>EXAMPLE - W CLASS</i>		<i>BALANCE \$5,000,000 WITH TOTAL CONTRIBUTIONS OF \$1,000,000 DURING YEAR</i>
Contribution Fees	0%	For every \$1,000,000 you put in you will be charged \$0.
<i>PLUS</i> Management Costs	1.15% p.a.	And, for every \$ 5,000,000 you will be charged \$57,500 each year.
<i>EQUALS</i> Cost of fund		If you had an investment of \$5,000,000 at the beginning of the year and you put in an additional \$1,000,000* during that year, you would be charged fees of \$57,500**

* Assumes \$1,000,000 investment occurs on the last business day of the year.

** In reality, the actual investment balance of the Fund will vary daily, and the actual fees and expenses charged which are based on the value of the Fund, will therefore also vary daily. The calculation also excludes the additional Management Cost on contributions.

Management Costs

The Management Costs for the Fund comprise two components as outlined below:

Investment Costs

Investment Costs are the fees and costs for investing the assets. They include fees charged by the product issuer incurred in investing the assets (excluding transaction costs).

Administration Costs

Administration Costs include, but are not limited to, custodian, fund administration, compliance committee fees, audit costs, taxation advice costs, insurance premiums, legal costs and the costs of printing and posting reports and member notices. They do not include Excluded Expenses (see below).

Indirect Cost Ratio ("ICR")

The ICR for the Fund is the ratio of the Fund's Management Costs, that are not deducted directly from an investor's account, to the Fund's average Net Asset Value. Lazard Pacific receives Management Costs of 1.00% p.a. of the Net Asset Value of the Fund referable to the I Class and 1.15% p.a. of the Net Asset Value referable to the W Class. These amounts represent the capped ICR for each Class except for any Excluded Expenses (see "Excluded Expenses" for further detail).

Net Asset Value ("NAV") of the Fund

This is the aggregate value of all the assets less liabilities held by the Fund, referable to the particular class of units. The "value of an asset" will be the market value of that asset having regard to the nature and characteristics of the asset and the market for that asset at the time of valuation. Where Lazard Pacific cannot ascertain the market value of a security, then Lazard Pacific will use another valuation methodology, for example an expert's valuation, that is independently verifiable. The NAV will generally be calculated on a daily basis.

Transactional Costs

Costs falling under this section are additional costs to the investor.

Excluded Expenses

The capped ICR excludes expenses that would be incurred by an investor investing directly in the underlying assets, such as transaction costs and government taxes and charges (including stamp duty) on the purchase and sale of securities, which are borne by the Fund. Transaction costs are costs such as brokerage, settlement costs and clearing costs.

Excluded expenses also include extraordinary expenses which are not incurred very often such as expenses incurred in holding unit holder meetings and abnormal legal costs. These expenses are not capped and are an additional expense deducted from the value of the assets.

Buy/Sell spread

The buy/sell spread is an allowance per unit for the estimated transaction costs of buying and selling the investments of the Fund. The spread aims to ensure that existing investors do not pay the transaction costs associated with other investors entering or exiting the Fund. The spread also serves as a deterrent to market timing. These percentages may change during the life of this PDS. If this occurs we will inform investors in writing.

Currently application and withdrawal prices reflect a spread of +0.20% and -0.20% respectively around the Net Asset Value unit price. So, for example the spread on \$5,000,000 would be +/- \$ 10,000. This spread is retained from application monies or withdrawal proceeds as an asset of the Fund. In certain circumstances Lazard Pacific may waive the buy/sell spread.

No part of the buy/sell spread is paid to Lazard Pacific.

Brokerage

The Fund may pay brokerage for services received by the Fund from brokers such as research reports in accordance with the provisions of the Compliance Plan for the Fund. Brokerage is included in the transaction costs of the Fund.

Distribution fees

Lazard Pacific may also pay a distribution fee to an entity that assists us in the distribution of our products. This fee is not an additional charge to the Fund, but is paid by Lazard Pacific out of its own resources.

Negotiation of fees

For direct investors, Lazard Pacific may, in its discretion and, in accordance with ASIC policy, negotiate and agree a rebate or waiver of part of the Investment Costs to a person who acquires an interest in the Fund in response to an offer made to them as a wholesale client within the meaning of s761G of the Corporations Act 2001 or to a person who is an employee of Lazard Pacific or a related body corporate. Any fee rebate or waiver is subject to Lazard Pacific determining that the giving of the rebate or waiver satisfies, or continues to satisfy, the requirements of ASIC policy. Lazard Pacific may rebate part of the Investment Costs to an IDPS operator.

GST

All fees quoted above are inclusive of the net effect of GST. For further general information on the tax implications of this Fund see "Tax information" for further details.

Right to change fees

Lazard Pacific reserves the right to increase the fees and costs set out in this "Fees and Other Costs" section and to change its approach in relation to fees and costs, on giving 30 days notice to investors.

Maximum fees

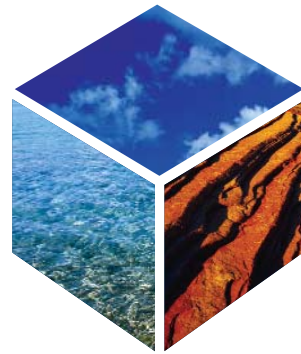
Under the Constitution Lazard Pacific is entitled to charge a Management Fee (Investment Costs) of up to a maximum of 3% p.a. The Constitution also allows Lazard Pacific to charge a Responsible Entity fee (Administration Costs) of up to a maximum of 2% p.a. The Constitution also allows Lazard Pacific to charge Contribution and Withdrawal Fees of up to a maximum of 2% of the monies being invested or withdrawn. It also allows a maximum Investment Switching Fee of 1% of the value of the units being switched. However the Contribution, Withdrawal and Investment Switching fees will not be charged during the life of this PDS.

Investors investing through an IDPS

Investors investing through an IDPS usually pay, in addition to the fees and charges outlined above, fees and charges relevant to the IDPS operator. Investors through IDPSs should contact the applicable IDPS operator for information about their fees.



General Information



INVESTOR REPORTING

To keep unitholders fully informed about their investments, we will provide:

- monthly unitholder statements;
- monthly Fund fact sheet (via email);
- distribution statements;
- annual taxation statement, and
- the Fund's annual financial report.

If you are investing through an IDPS, your IDPS operator should provide you with the reports on your investment in the Fund.

Copies of the annual financial report for the Fund are available free of charge upon request from Lazard Pacific on (02) 8274 1400 or from your IDPS operator.

For retail investors who invest directly in the Fund, Lazard Pacific will provide additional periodic statements and an exit statement as required by the Corporate Act.

CONSTITUTION

The Constitution, together with the Corporations Act 2001, provide the terms and conditions under which the Fund operates and sets out the rights, liabilities and obligations of unitholders and Lazard Pacific. These rights, liabilities and obligations may be affected by amendments to both the Constitution and to the Corporations Act 2001.

Unitholders have a proportional beneficial interest in the Fund although they do not have any entitlement to any particular part of the Fund or to

the assets of the Fund.

In addition to the unitholder rights which have been outlined throughout this PDS, some of the additional rights pursuant to the Fund's Constitution and to the Corporations Act 2001 are to:

- participate in the capital growth of the Fund;
- transfer units;
- participate in the termination or the winding up of the Fund;
- call, attend and vote at unitholder meetings, and
- wind up the Fund, with the requisite support of other unitholders.

The Constitution may be amended by Lazard Pacific:

- unilaterally if Lazard Pacific reasonably considers the change will not adversely affect unitholders' rights; or
- where the amendments have been approved by unitholders by special resolution.

Under the Constitution, the liability of a unitholder is limited to any unpaid amount on the unitholder's units. This is designed to have the effect that the right, if any, of Lazard Pacific, or of a creditor of Lazard Pacific, to seek indemnity is limited to having recourse to the assets of the Fund. The effectiveness of a provision of this type is yet to be finally determined by the courts. A unitholder is also under an obligation to indemnify Lazard Pacific in relation to any liability for tax Lazard Pacific may incur as a result of the unitholder's action or inaction or as a result of an act or omission requested by the unitholder.

Subject to the Corporations Act imposing such liability, Lazard Pacific is not liable in contract or tort or otherwise to unitholders for any loss suffered relating to the Fund. Lazard Pacific also has a full right of indemnity out of the Fund for any liability incurred by it in the proper performance or exercise of its powers or duties. This indemnity is in addition to any indemnity allowed by law, but is subject to the Corporations Act. This indemnity continues even after Lazard Pacific retires or is removed as responsible entity of the Fund.

Copies of the Constitution may be obtained free of charge at the registered office of Lazard Pacific during normal business hours.

CUSTODIAN AND FUND ADMINISTRATOR

Lazard Pacific has appointed State Street Australia Limited (“State Street”) as custodian to hold the assets of the Fund. State Street has also been appointed to provide administration functions including portfolio valuations, investment accounting and unitholder registry functions for the Fund.

COMPLIANCE PLAN AND COMPLIANCE COMMITTEE

In accordance with the Corporations Act 2001, the Fund has a Compliance Plan, which provides the measures that will be applied in operating the Fund to ensure compliance with the Fund’s Constitution and the Corporations Act 2001. The Compliance Plan has been lodged with ASIC and is audited annually.

The Board of Directors of Lazard Pacific monitors compliance with the Compliance Plan through a Compliance Committee. The Fund’s Compliance Committee consists of a majority of external members, which monitors the operation of the Fund and its compliance with the Compliance Plan. Breaches of the Compliance Plan are reported to the Board of Directors and, if required, to ASIC.

UP TO DATE INFORMATION

The information in this PDS is up to date at the time it was prepared. Information that is not materially adverse to unitholders may be updated from time to time. Current information may be obtained by contacting your adviser (where you invest through an IDPS) or by contacting Lazard Pacific or through our website at www.lazardnet.com.au. If you would prefer a paper version of the updated information please let us know and we can provide that to you free of charge.

COMPLAINTS

The complaints policy established by Lazard Pacific aims to recognise the rights of investors to complain if they are not satisfied with any aspect of the service provided by Lazard Pacific.

Complaints can be made by calling (02) 8274 1400 or by writing to the Client Relationship Manager at Lazard Asset Management Pacific Co.. Please refer to the Directory on the back page for the address details.

Complaints received will, in accordance with the Fund’s constitution, be acknowledged by the Responsible Entity within 14 days. The Responsible Entity will give proper consideration to a complaint within a timely manner and advise the complainant of the outcome of any determination made within 45 days after the receipt of the complaint. If required, the Responsible Entity will advise the complainant of further avenues to resolve the complaint.

Complainants who are unsatisfied with the response provided may refer their complaint to the Financial Ombudsman Service Limited. This is an external complaint handling body, of which Lazard Pacific is a member.

Complaints should be forwarded to:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 78 08 08

If you are investing through an IDPS then enquiries and complaints should be directed to the IDPS operator.



TAX INFORMATION

Any investment can have a substantial impact on your tax position from year to year.

The Fund in which you invest will generally not be liable for Australian income tax as the income is distributed to investors. You will have to include in your income for tax purposes the share of investment income of the Fund (including net realised capital gains) distributed to you (whether or not you reinvest your distributions).

The disposal of your units (eg by redemption or transfer) may give rise to a capital gains liability or capital loss. If your units are held for 12 months or more, you may be entitled to a capital gains tax discount.

There are other relevant tax considerations applicable to the Fund's investments and your tax position. For example, the foreign investment funds regime, entitlement to franking credits, taxation of foreign source income and whether, for tax purposes, you are an Australian resident.

GST is not payable on the issue, withdrawal or transfer of units in the Fund as these are input taxed financial supplies for GST purposes. However, the Fund may incur GST on various acquisitions made by the Fund including the investment management services supplied by Lazard Pacific. As a general principle, the Fund would not be entitled to claim an input tax credit for the GST incurred on these acquisitions. However, a 75% reduced input tax credit is likely to be available to the Fund on these acquisitions.

This taxation information is a general summary only of a complex taxation system. We will send you the information you need each year to complete your tax return. We recommend you consult your financial or tax adviser for specific information about your tax position.

On your application form you may provide us with your Tax File Number ("TFN"), or otherwise your TFN exemption. Alternatively, if you are investing in the Fund in furtherance of an enterprise, you may quote an Australian Business Number ("ABN"). It is not compulsory for you to quote a TFN, exemption or ABN, but if you do not then we are required to deduct tax from any income distribution payable to you at the maximum personal tax rate plus Medicare levy and any other applicable Government charges. We are authorised to collect TFNs under tax law. For more information about TFNs, please contact your nearest Australian Taxation Office.

PRIVACY

Lazard Pacific and State Street collect information about you for the purpose of issuing units in the Fund to you and administering your unitholdings. If you do not provide the information requested in the application form, State Street will not be able to process your application and units in the Fund cannot be issued by Lazard Pacific. State Street may disclose your personal information to Lazard Pacific.

State Street or Lazard Pacific may disclose your personal information to their related companies, the auditor of the Fund, your custodian, asset consultant, financial adviser, auditor or legal adviser. You can gain access to the information that State Street and Lazard Pacific hold about you by contacting Lazard Pacific's Privacy Officer on (02) 8274 1400 or by writing to the Privacy Officer at Lazard Asset Management Pacific Co.. Please refer to the Directory on the back page for the address details.



UNIT PRICING DISCRETIONS

Lazard Pacific's policy on the exercise of its discretions in calculating application and withdrawal unit prices is available from Lazard Pacific free of charge, upon request.

ANTI MONEY LAUNDERING LAWS

The Federal Government has passed laws relating to the detection and deterrence of money laundering and terrorism financing ("AML/CTF Laws"). As part of the AML/CTF Laws, Lazard Pacific is required to obtain certain information from investors which relate to the identification of investors and to verify the information provided. Please refer to "A guide to completing the Application Form for the collection of AML/CTF Information" section on page 16 for assistance regarding what information an investor will need to provide to Lazard Pacific.

Lazard Pacific will not issue units to an investor until all relevant information has been received and your identity has been satisfactorily verified. If an investor does not provide the information requested or we are not satisfied as to your identity, we may not issue units to you at all and will return your application monies.

If you have any queries regarding these laws you can contact, Lazard Pacific's Anti Money Laundering Officer by sending an email to "amlofficer@lazard.com" or by writing to the AML Officer at Lazard Asset Management Pacific Co.. Please refer to the Directory on the back page for the address details.

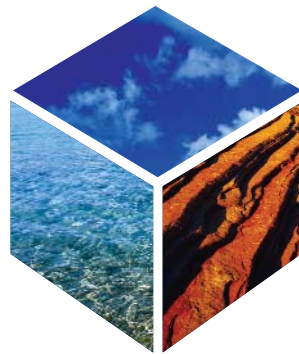
CONSENT

LAM has given and has not withdrawn its consent to its name appearing in this PDS in the form and context in which it appears.

Other than the consent provided, LAM does not take any responsibility for any other part of this PDS and has not authorised or caused the issue of this PDS. LAM does not make any representation or give any warranty as to the completeness or appropriateness of any information contained in this PDS.



Fund Operations



HOW TO INVEST

By cheque

The attached Application Form is required to be completed and forwarded, with your cheque made payable to “State Street Bank & Trust Co – Account AUS-Q4FD” and crossed “Not Negotiable” to:

The Manager
State Street Unit Registry
State Street Australia Limited
Level 7 State Street Centre
338 Pitt Street
Sydney NSW 2000

By Austraclear

Application monies can also be paid via the Austraclear system to SSBS20. If you choose to pay application monies by Austraclear, please ensure that State Street receives a completed application form on the day the application monies are paid. Please also ensure that the Austraclear section of the application form has been completed.

By RTGS

To use this option your bank must offer RTGS. The details to transfer funds electronically via RTGS are as follows:

Bank Name State Street Bank & Trust Company
BIC SBOSAU2
BSB 913-001
Reference AUS-Q4FD

If you choose to pay application monies by RTGS, please ensure that State Street receives a completed application form on the day the application monies are transferred. Please also ensure that the RTGS section of the application form has been completed, including a valid reference number. If a valid reference number is not provided, this could delay the effective date of your application.



Comments on all applications

All application forms need to be signed by two authorised persons. Please also provide a copy of your list of authorised persons at the time you send your application, otherwise the processing of the application may be delayed. Should your authorised persons list change during the course of your investment, please ensure the updated version is forwarded to us.

Valid applications will be processed with an effective date of the date that State Street (“the administrator”) receives both a valid application form, and the application money is received.

Valid applications for units received by the administrator before 2pm on any business day will be issued at the application unit price (which is the NAV unit price adjusted for the buy/sell spread) next calculated after 2pm for that business day.

Valid applications for units received by the administrator after 2pm on any business day or on a non-business day will be issued at the application unit price (which is the NAV unit price adjusted for the buy/sell spread) calculated for the next business day.

When an application is accepted by the administrator, a confirmation advice will be forwarded detailing the:

- date of acceptance;
- amount invested in the Fund;
- number of units issued, and
- unit issue price.

The minimum investment for the Fund is \$A5,000,000 unless you invest in the Fund through an IDPS (refer to the “Investors Investing through an IDPS” section). Lazard Pacific reserves the right to accept a lesser amount or to reject an application in total. Additional investments can be made at any time by completing the application form attached to the PDS or otherwise in writing to the administrator.

For the purpose of this PDS, “business day” shall mean any day on which banks are open for business in New South Wales.

Cooling-off period

If you are a retail investor and invest directly in the Fund and you decide that your initial investment in the Fund does not suit your needs, you can request in writing to have it cancelled within the 14 day cooling-off period. The cooling-off period begins when your transaction confirmation is received by

you or five days after your units are issued, whichever is earlier. When calculating the redemption value of the investment you will bear any fluctuation in the market and reasonable administration and transaction costs and any applicable tax or duty in connection with the cancellation. As a result the amount returned to you may be less than your original investment.

A guide to completing the Application Form for the collection of AML/CTF Information

As part of the AML/CTF Laws, Lazard Pacific is required to obtain certain information relating to the identification of investors and to verify the information provided. We will collect this information from you from the application form. The sections in the application form that an investor needs to complete is determined by what type of entity the investor is, details of which follow:

- If you are a **trustee of a trust** please complete **sections 1 and 3**. If as a trustee you are also a **company** you also need to complete **section 2**.
- If you are an Australian incorporated **company** please complete **sections 2 and 3**.
- If you are:
 - a foreign company;
 - an individual;
 - a partnership;
 - a government body;
 - any other type of investor,
 please contact Lazard Pacific on 02 8274 1400 regarding the additional information we will need to collect from you.

Lazard Pacific will not issue units to an investor until all relevant information has been received and your identity has been satisfactorily verified. If an investor does not provide the information requested or we are not satisfied as to your identity, we may not issue units to you at all and will return your application monies.

HOW TO WITHDRAW

Investors can request the withdrawal of all or part of an investment in the Fund by lodging a written withdrawal request with the administrator. Funds will be paid by cheque or by transfer to an Australian bank account. Payments cannot be made to a third party. To request a withdrawal simply write to State Street (see address details in section “How to invest”) providing details of the number of

units to be redeemed or the dollar value required, the investor number, Fund name and the name in which the investment is held. Please ensure that the withdrawal request is signed by all necessary authorised signatories to the investment.

Valid withdrawal requests received by the administrator before 2pm on any business day will be processed using the withdrawal unit price (which is the NAV unit price adjusted for the buy/sell spread) next calculated after 2pm for that business day.

Valid withdrawal requests received by the administrator after 2pm on any business day or on a non-business day will be processed using the withdrawal unit price (which is the NAV unit price adjusted for the buy/sell spread) calculated for the next business day.

You will receive a transaction statement to confirm the details of your withdrawal. In normal circumstances, valid withdrawal requests will be satisfied within 6 business days from the date of receipt of the request. The receipt of requests for large cash withdrawals and/or multiple withdrawal requests on the same day or with the same valuation date would not fall within the ambit of “normal circumstances”. The withdrawal period could be extended, in certain circumstances, to 20 business days for the Fund. Lazard Pacific may compulsorily redeem a unitholding which falls below \$A5,000,000.

The Corporations Act 2001 regulates withdrawals from managed investment schemes and sets out requirements that will apply to withdrawals from the Fund if it is not “liquid”. A scheme is not “liquid” if liquid assets do not account for at least 80% of the value of scheme property. Liquid assets are assets that Lazard Pacific reasonably expects can be sold for market value within the period specified in the Constitution to satisfy withdrawal requests. The Responsible Entity does not anticipate that the Fund will be illiquid for these purposes.

CLASSES OF UNITS IN THE FUND

Lazard Pacific may, in accordance with the Constitution of the Fund and without the consent of unitholders create different classes of units. Each class of units may differ in terms of the applicable Management Costs.

Lazard Pacific has created the following classes of units:

<i>Class of Units</i>	<i>Criteria</i>
<i>W</i>	<i>Wholesale clients</i>
<i>I</i>	<i>Institutional clients</i>

In order to efficiently manage applications and withdrawals that represent a material percentage of the Fund, Lazard Pacific reserves the right to utilise a temporary class of units, the transition class. In the case of cash applications, the monies will be invested in this transition class on the application date and held in this class until Lazard Pacific is comfortable that this class has a similar investment profile to the other classes in the Fund. At this point Lazard Pacific will transfer the assets in the transition class into one of the other classes in the Fund at the Net Asset Value price for that class. In the case of withdrawals, assets to the dollar value of the withdrawal on the withdrawal date will be transferred into the transition class and will be sold down by Lazard Pacific in an orderly manner. Once all the assets in this transition class have been sold Lazard Pacific will pay the withdrawal proceeds to the unitholder.

Lazard Pacific retains the right to determine which class of units will be issued to a unitholder and also to reclassify a unitholder’s unitholding.

UNIT PRICING

Unit prices are generally calculated each business day based upon the Net Asset Value of the Fund referable to the relevant class of units in the Fund plus (where units are being issued) or minus (where an investor is withdrawing from the Fund) an estimate of the costs (if any) referable to that class which would be incurred if the Fund’s had to purchase or sell assets divided by the number of units (in the same class) on issue in the Fund.

Unit prices fall after the end of the distribution period to reflect the distribution entitlements. Particularly if you invest just before the end of a period, you may find that you quickly get back some of your capital as income.

INCOME DISTRIBUTION AND REINVESTMENT

The Fund distributes income, if of an economic size, quarterly to investors in proportion to their unit holding on the last business day of the distribution period.

Lazard Pacific may cause a special distribution of realised capital or income to be made at any time during the year.

You may elect to have your distributions paid directly into your nominated Australian bank account or have them reinvested in the Fund by completing the relevant section of the application form.

If you do not nominate how you wish to receive your income distributions, or do not provide Australian bank account details, your distribution will be automatically reinvested as additional units in the Fund. Such units will be issued at the ex- distribution Net Asset Value unit price for that distribution period. These units will be issued on the first business day of the next distribution period.

Unit prices fall after the end of the distribution period to reflect the distribution entitlements. Particularly if you invest just before the end of a period, you may find that you quickly get back some of your capital as income.

Application form

Lazard Select Australian Equity Fund

The PDS contains information relevant to a decision to invest in the Lazard Select Australian Equity Fund. You should read the PDS before signing the application form. A person who gives another person access to this application form must also give the person access to a copy of the PDS and any relevant supplementary documents at the same time and by the same means. This application form is only valid if it is included in or accompanied by the PDS dated 30 June 2009 for the Lazard Select Australian Equity Fund, which expires on 30 June 2010. No applications included in or accompanied by the PDS will be accepted after 30 June 2010. Persons who receive a copy of the PDS in electronic form are entitled to request paper copies of the PDS, this application form and any supplementary document free of charge by telephoning (02) 8274 1400. Lazard Asset Management Pacific Co, ABN 13 064 523 619 holds an Australian Financial Services Licence, number 238432.

When completing your application, please refer to the section in the PDS headed "A guide to completing the Application Form for the collection of AML/CTF Information". If you require further assistance completing this application form, please contact Lazard Pacific on 02 8274 1400.

EXISTING INVESTORS

Account number Please proceed to Section 3.3

NEW INVESTORS

If you are a Trustee of a Trust, please complete Sections 1 and 3.

If the Trustee is an Australian incorporated company, please also complete Section 2.

If you are not a Trustee of a Trust, but an Australian incorporated company, please complete Sections 2 and 3.

SECTION 1: TRUSTS

1.1 GENERAL INFORMATION

Full name of trust

Full business name (if any)

Country where trust was established

1.2 TRUSTEE INFORMATION

If you have more than one trustee, please attach the full name and address for each of the trustees in a separate document.

Full name of the trustee

Business address (not a PO Box)

Post code

1.3 TYPE OF TRUST (select one of the following trust types and provide the information requested)

If you don't fall into any of the trust types below, please contact Lazard Pacific regarding the additional information Lazard Pacific will need to collect from you.

Registered managed investment scheme

Provide Australian Registered Scheme Number (ARSN)

Regulated trust (e.g. Superannuation fund, SMSF)

Provide name of the regulator (e.g. ASIC, APRA, ATO)

Provide the trust's ABN or registration/licensing details

Government superannuation fund

Provide name of the legislation establishing the fund

SECTION 2: COMPANIES

If you are a company, but not incorporated in Australia, please contact Lazard Pacific regarding the information Lazard Pacific will need to collect from you.

2.1 GENERAL INFORMATION (This information must relate to the investing entity)

Full name as registered by ASIC

ACN/ABN

Registered office address (not a PO Box)

Post code

Phone Fax

Principal place of business (not a PO Box). Only complete if different to Registered office address.

Post code

2.2 REGULATORY/LISTING DETAILS (select the following categories which apply to your company and provide the information requested)

Regulated company (licensed by an Australian Commonwealth, State or Territory regulator)

Regulator name

Licence type and number

Australian listed company

Name of market / exchange

Majority-owned subsidiary of an Australian listed company

Australian listed company

Name of market / exchange

2.3 COMPANY TYPE

Public – Please proceed to **Section 3** below.

Proprietary – Complete **Section 2.4** below. If the proprietary company is not a Regulated company, please also complete **Section 2.5** below.

2.4 DIRECTORS

If the company is a proprietary company, please provide the name of each director.

Full given name(s) Surname

If there are more than four directors please attach the full name for each of the additional directors in a separate document.

SECTION 2: COMPANIES (CONTINUED)

2.5 SHAREHOLDERS (this section only applies to proprietary companies that are not a Regulated company)

There are no shareholders holding more than 25% of the company's issued capital.

OR

Please provide the name and address of any shareholder with a holding of more than 25% of the company's issued capital.

SHAREHOLDER 1

Full given name(s)

Surname

Residential address (not a PO Box)

Post code

SHAREHOLDER 2

Full given name(s)

Surname

Residential address (not a PO Box)

Post code

SHAREHOLDER 3

Full given name(s)

Surname

Residential address (not a PO Box)

Post code

SECTION 3: GENERAL

3.1 CONTACT DETAILS (this section is mandatory - to be completed by all investors)

If you are applying the units on behalf of another entity, please provide the full name and contact details of the person at that entity we can contact regarding the information provided in this application form.

Full given name(s)

Surname

Contact address (not a PO Box)

Post code

Phone Fax

Email address

3.2 TAXATION (this information must relate to the investing entity)

Tax File Number (TFN)

OR reason for exemption

ABN

Persons receiving this PDS within Australia, but being a non-resident for tax purposes, should state their country of residence for tax purposes.

Collection of TFN information is authorised and its use and disclosure are strictly regulated by the tax laws and privacy legislation. Please note that it is not against the law if you choose not to give your TFN, ABN or claim for exemption, but, if you do not, tax may be taken out of the income payable to you (including income reinvested) at the highest marginal rate plus Medicare Levy and any other applicable Government charges.

SECTION 3: GENERAL (CONTINUED)

3.3 INVESTMENT AMOUNT

Lazard Select Australian Equity Fund \$A

FOR OFFICE USE ONLY	
I Class	<input type="checkbox"/>
W Class	<input type="checkbox"/>

3.4 PAYMENT METHOD

Payment Method

(tick one of the three Payment Options and provide applicable details underneath)

Payment Option 1: Cheque attached

Cheques should be made payable to:
State Street Bank & Trust Co – Account AUS-Q4FD and crossed "Not Negotiable".

Payment Option 2: Austraclear

Please complete banking details in following section.
The Austraclear code is SSBS20.

Payment Option 3: RTGS

Please complete banking details in following section.
Clients wishing to pay via RTGS should use the following account details:

Bank Name State Street Bank & Trust Company
BIC SBOSAU2
BSB 913-001
Reference AUS-Q4FD

Please send the completed form to:

The Manager, State Street Unit Registry,
State Street Australia Limited,
Level 7, State Street Centre, 338 Pitt Street,
Sydney NSW 2000.
Facsimile: (02) 9323 6411.

AUSTRACLEAR OR RTGS PAYMENTS

Please ensure you provide a valid reference number for the RTGS payment. Failure to provide a valid reference number could delay the acceptance of your application.

Name of institution	<input type="text"/>		
Branch	<input type="text"/>		
BSB	<input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/>	Account no.	<input type="text"/>
Account name	<input type="text"/>		
Austraclear code (if applicable)	<input type="text"/>	Reference Number for Austraclear or RTGS Payment	<input type="text"/>

3.5 DISTRIBUTIONS

I/We elect to receive distributions by: Direct Credit Additional Units
If no election is made or no Australian bank account details provided, distributions will be in the form of additional units.

Australian Bank account details for Direct Credit of Distributions

Name of institution	<input type="text"/>		
Branch	<input type="text"/>		
BSB	<input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/>	Account no.	<input type="text"/>
Account name	<input type="text"/>		

Declaration: The above-named that is applying for investments in the Lazard Select Australian Equity Fund, declares that the details given in this application form are true and correct.

By completing this application I/we acknowledge that I/we were given access to a complete copy of the PDS at the same time (and by the same means) as accessing this application.

I/We declare that by signing and lodging this application form, I/we represent and acknowledge that I/we have read and understood the PDS to which the application form relates.

I/We acknowledge that by signing the application, I/we:

- a. agree to become bound by the provisions of the Constitution of the Fund, as may be amended from time to time;
- b. agree to be bound by the terms of this PDS;
- c. agree that the Constitution and this PDS contain all of the terms and conditions that govern my/our investment in the Fund;
- d. provide consent to Lazard Pacific to use and disclose the information I/we have provided in this application as outlined in the "Privacy" section;
- e. represent that if outside Australia, my/our application and its acceptance by Lazard Pacific does not breach applicable laws of the jurisdiction of the applicant; and
- f. agree that Lazard Pacific may decide to delay or refuse any application or redemption if I/we do not provide the AML/CTF information requested or Lazard Pacific is not satisfied as to my/our identity and Lazard Pacific will not incur any liability to me/us if it does so.

I/We acknowledge and understand that:

- a. units in the Fund do not represent deposits or other liabilities of the Lazard Group;
- b. investing in the Fund is subject to investment risk, including possible delays in repayment and loss of income and principal invested; and
- c. neither Lazard Pacific, Lazard Group nor any other entity guarantee the performance of the Fund or the repayment of capital invested in the Fund.

3.6 APPLICANT SIGNATURE (TO BE SIGNED BY 2 AUTHORISED PERSONS)

If this application is signed by an attorney, the attorney states that there is no notice of revocation of the power of attorney under which this application is signed. Any tax file number supplied at any time may be applied to this investment and previous or future investments in my/our name(s).

Full name or entity name

Signature

Signature

COMPANY SEAL
(IF REQUIRED)

Investor 1 / Director / Sole Director*
Date / /

Investor 2 / Director / Company Secretary*
Date / /

* For company accounts:

- 1. Please indicate your office held as sole director, director, or company secretary.
- 2. Two directors, or one director and one company secretary must sign, unless the company is a sole director company in which case the sole director must sign.

Directory

RESPONSIBLE ENTITY

Lazard Asset Management Pacific Co.
Level 39, Gateway
1 Macquarie Place
Sydney NSW 2000
Telephone: (02) 8274 1400

CUSTODIAN AND FUND ADMINISTRATOR

State Street Australia Limited
Level 7, State Street Centre
338 Pitt Street
Sydney NSW 2000
Facsimile: (02) 9323 6411

AUDITOR OF THE FUND

Deloitte Touche Tohmatsu
225 George Street
Sydney NSW 2000