

Lazard Global Active Funds

Key Features & Simplified Prospectus



Deeper insight
Closer focus

Lazard Global Active Funds

Key Features & Simplified Prospectus

INTRODUCTION

The aim of this document is to provide potential investors in the sub-funds of Lazard Global Active Funds plc (retail share class) with a clear understanding of the type of investments offered, their aims and the risks associated with equity investment.

This document describes the sub-funds of Lazard Global Active Funds plc and their investment objectives. You are advised to read this document and the simplified prospectus for each fund you might wish to invest into thoroughly before making any commitment to invest. You should satisfy yourself that the sub-fund(s) you select is(are) designed to meet your objectives.

Lazard Global Active Funds plc is an Irish-registered, open-ended investment company, which qualifies as a UCITS. It is recognised in the UK by the Financial Services Authority (FSA Register number 178843) under s264 of FSMA 2000 and operates as an umbrella fund with fourteen separate sub-funds. Details are given in the Simplified Prospectus for each sub-fund and the Prospectus, copies of which are available from Lazard Asset Management Limited in London or from the Administrator, PFFC International at its offices in Wexford.

All business is determined in accordance with Irish law and all communication is in the English language.

YOUR INVESTMENT

You can sell all or part of your investment whenever you wish, but the remaining holding must exceed the minimum for each sub-Fund.

All investments in these Funds should be viewed as long-term, meaning that you intend to continue to hold your investment for a minimum of five years. Selling in the short-term may mean not receiving back the amount originally invested, as may selling at any other time.

You can sell your investment whenever you wish. There is no mandatory minimum investment period.

If the holding falls below the minimum investment stated per sub-fund, the Manager reserves the right to redeem the holding at the prevailing price. This may also result in a loss to the investor.

Lazard Global Active Funds plc offers "Income" shares only. Income will be reinvested to buy new shares unless you instruct otherwise.

YOUR QUESTIONS ANSWERED

What is an open-ended investment company?

An open-ended investment company (OEIC) is a form of a collective investment scheme which allows investment into a wide selection of individual companies managed by a professional investment manager. This OEIC has an umbrella structure and comprises of a number of sub-funds. Investors are issued with shares in their chosen sub-fund, which in turn holds shares in individual companies, selected by the investment manager. A largely diversified portfolio is created, which investors would find otherwise expensive to achieve. OEICs, therefore, offer the advantage of professional management with the benefit of cost savings as a result of pooling investor's money.

How to choose in which Sub-Fund to invest?

As a potential investor, you should define your investment objectives, deciding whether you want income or capital growth, how much risk you wish to take and the time horizon you wish to invest.

Should I take independent advice

There are numerous investment funds and unit trusts available in the UK and we would recommend you seek independent financial advice before making any investment decisions.

How will I be able to follow the progress of my investment?

On a six monthly basis, we will send you the Report and Accounts of the Fund, detailing the performance and investment changes in all of the sub-Funds.

The prices of all Lazard Global Active Funds are quoted daily in the Financial Times and on our website: www.lazardnet.com.

How do I sell my shares?

You can ask your IFA to sell them on your behalf or, alternatively, you can inform us directly by way of written or telephone instructions. Payment will be made to you within five business days after the relevant dealing day.

Can I switch my investment?

You can sell your shares and switch the proceeds into another of our Funds or sub-Funds at any time. Currently, you may be charged up to 1% of the value of shares switched at the Fund Manager's discretion. We recommend that you consult your IFA before commencing any transactions.

UK Investor Tax Position

The Fund is managed so as to qualify for distributor status in the UK and currently plans to apply for this on an annual basis. This means that UK resident shareholders who have properly completed Section 9 of the Application Form should be liable to UK capital gains tax rather than income tax on capital gains realised.

Income is paid to you on payment dates without any deduction of tax. Details of this should be submitted on your personal tax return so that the Inland Revenue can assess your additional tax liability. You may be subject to tax on capital gains made when you sell your shares. Providing your total capital gains in any tax year does not exceed the CGT exemption limit (currently £7,500), any capital gains will be tax free.

How much will any advice cost?

Your adviser will give you details about the cost. The amount will depend on the size of your investment. It will be paid for out of the charges that are levied by the Manager.

FURTHER INFORMATION

Prices

You buy shares from us at the buying price (net asset value plus preliminary charge) and you sell them back to us at the net asset value. Please note that fund prices are published in base currency only. However, prices are available in Sterling, Euro, US Dollars, and Japanese Yen.

Charges – Retail Share Class

The buying price includes an preliminary charge of 5% for all sub-Funds. This charge is reflected in the price of the shares. In addition, there is an annual management charge. These charges are reflected in the price of the shares on a daily basis and are paid to Lazard monthly. The charges can be increased to 7.0% (preliminary) and 2% (annually). However, a minimum of 30 days' notice must be given if we intend to increase these charges. In addition, charges are made for such items as custodian, administrator and auditor fees. Other charges may exist that are not passed through or imposed by the Manager.

Charges – Institutional Share Class

There is no preliminary charge levied with this share class. However, there is an annual management charge levied for each sub-fund. Other charges may exist that are not passed through or imposed by the Manager.

Income

Net investment income is distributed gross of tax on the dates shown in the Simplified Prospectus. These distributions are automatically reinvested unless you instruct otherwise. If you reinvest income, you will do so at net asset value.

Dealing in Shares

Shares are valued at 12 noon on each Irish working day and may be bought and sold between 9am and 5pm. If you deal through the post, you will buy shares at the first price calculated after we receive your written instruction.

Telephone instructions will receive the price at 12 noon on the day, if instructed before 12 noon, or the following day's 12 noon valuation, if instructed after that time. Alternatively, your IFA can act on your behalf.

Note that dealing can take place in Sterling, Euro, US Dollars and Japanese Yen. Conversion to the Fund's base currency is at the expense of the investor.

Cancellation rights

Applicants will not have any cancellation rights as afforded by the FSA cancellation rules.

Complaints

If you wish to complain about any aspect of the service you have received, please contact;

The Compliance Officer
Lazard Asset Management Limited
50 Stratton Street, London, W1J 8LL.
Tel: 020 7588 2721

If your complaint is not dealt with to your satisfaction, you can then complain to the Financial Ombudsman Service at: South Quay Plaza, 183 Marsh Wall, London E14 9SR.

or to:

The Irish Financial Services Regulatory Authority
PO Box 9138, College Green, Dublin 2.

Making a complaint will not prejudice your right to legal proceedings.

Compensation

In the event of default by the Manager, compensation would not be available under the UK Financial Services Compensation Scheme (FSCS), but may be available from the Irish Investors Compensation Company Limited (ICCL). Compensation which may be available amounts to 90% of the claim up to a maximum of €20,000. Further details are available from the Manager.

Further requirements

Further details on Lazard Global Active Funds, including the Simplified Prospectus, Prospectus, Factsheets and Final/Interim Report and Accounts (when available) can be obtained by dialling Freephone 0800 374810 (calls may be recorded for your protection) or by writing to us at:

Lazard Fund Managers (Ireland) Limited
c/o PFPC International Limited
IDA Business Park
Drinagh
Wexford Town
Ireland

or to

Lazard Fund Managers (Ireland) Limited
c/o Lazard Asset Management Limited
50 Stratton Street, London W1J 8LL.

E-mail: contactuk@lazardnet.com

Website: www.lazardnet.com

Lazard Fund Managers (Ireland) Limited, a subsidiary of Lazard Asset Management Limited, is the manager of the Lazard offshore funds incorporated in Dublin.

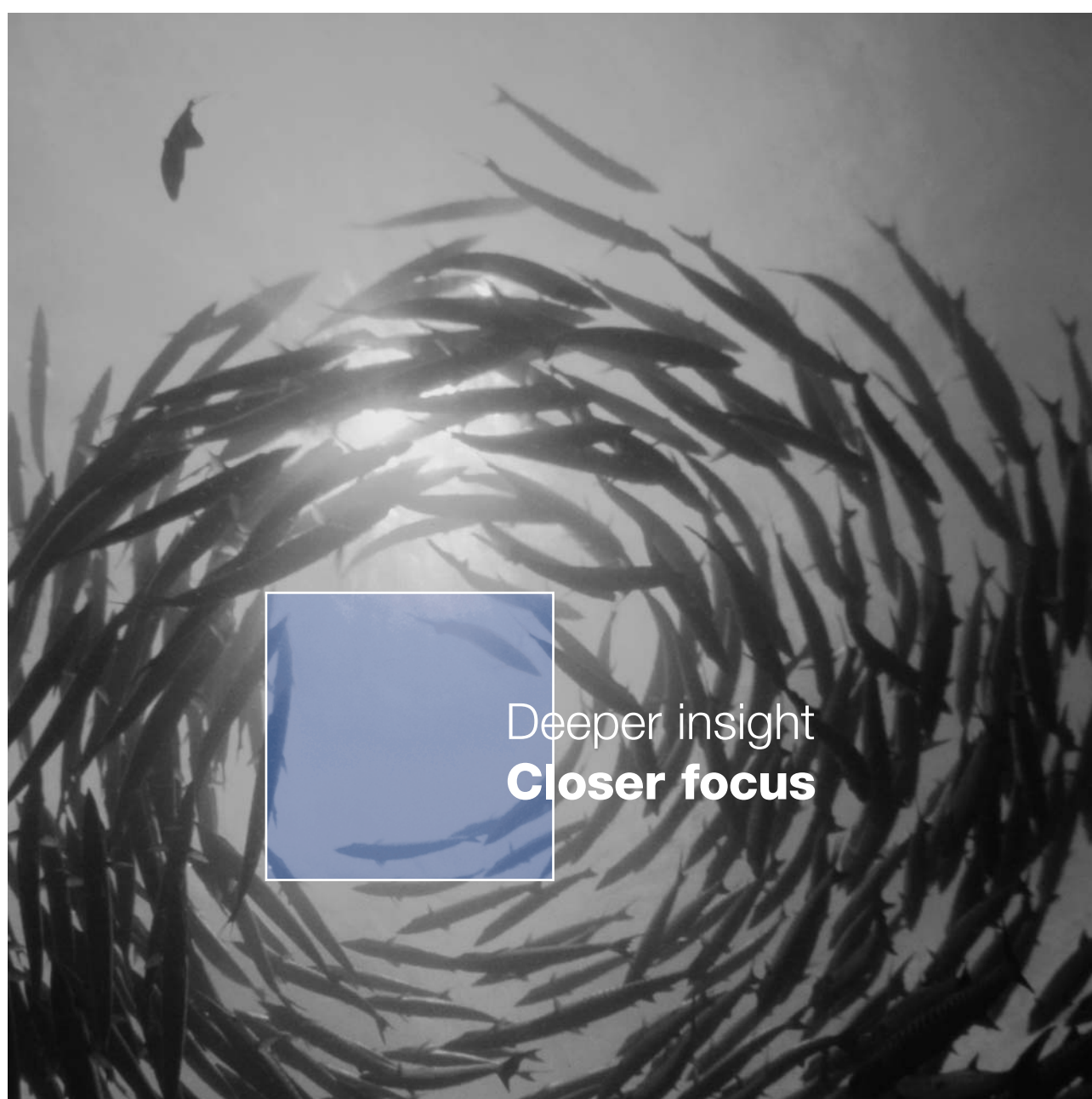
Issued and approved by Lazard Asset Management Limited, authorised and regulated by the Financial Services Authority (FSA) – FSA Register number 121839

31 December 2006

Lazard Global Active Funds PLC

Lazard Sterling High Quality Bond Fund

Simplified Prospectus – 20 December 2006



Lazard Sterling High Quality Bond Fund

Simplified Prospectus

SHQBF 12/06

This Simplified Prospectus contains key information in relation to the Lazard Global Active Funds Public Limited Company (the “Company”), which is an open-ended investment company with variable capital and segregated liability between its sub-funds, incorporated and structured as an umbrella fund in Ireland on 10 April 1996 and authorised on 17 April 1996 by the Financial Regulator, under the European Communities (UCITS) Regulations, 2003, as amended.

Potential investors are advised to read the full Prospectus dated 20 December 2006 (the “Full Prospectus”) and the Supplement dated 20 December 2006 (the “Supplement”) before making an investment decision. The rights and duties of the investor as well as the investor’s legal relationship with the Company are laid down in the Full Prospectus and Supplement. (Words in this document have the same meaning as given to them in the Full Prospectus and Supplement).

This Simplified Prospectus relates specifically to the Lazard Sterling High Quality Bond Fund.

This Simplified Prospectus contains information relating to the Institutional Class of Shares (“Institutional Class”), the Retail Class of Shares (“Retail Class”) and the X Class of Shares (“X Class”) of Lazard Sterling High Quality Bond Fund (the “Fund”).

All other funds of the Company are listed in Appendix I attached hereto.

The base currency of the Lazard Sterling High Quality Bond Fund is Sterling.

INVESTMENT OBJECTIVE:

Lazard Sterling High Quality Bond Fund

The investment objective of Lazard Sterling High Quality Bond Fund is to achieve an attractive level of return from an actively managed portfolio of sterling denominated fixed income securities.

INVESTMENT POLICY:

Lazard Sterling High Quality Bond Fund.

Investment will be made primarily on Regulated Markets set out in Appendix 1 and subject to the restrictions set out in Appendix III, to the Prospectus. The Fund will invest in the Regulated Markets of OECD countries with an investment grade rating with the aim of achieving greater total return than the iBoxx Sterling Overall Index (the “Index”). The Index comprises the market weighting of all sterling denominated investment grade UK gilts, sovereign and supranational and corporate bonds with more than one year to maturity. The fixed income securities that the Fund will invest in will be investment grade fixed and floating securities of the type comprised in the Index although certain fixed income securities invested in may have less than one year to maturity.

RISK PROFILE:

The following risk factors apply to the Fund:

A prospective investor should be aware that Investments are subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of Investments will occur or that the investment objectives of the Fund will actually be achieved.

Depending on an investor's currency of reference, currency fluctuations between an investor's currency of reference and the base currency of the Fund may

adversely affect the value of an investment in the Fund.

A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default.

Because interest rates vary, it is impossible to predict the income of the Fund that invests in fixed income securities for any particular period. The net asset value of the Fund's shares will vary as a result of changes in the value of the securities in the Fund's portfolio.

Fixed income securities are subject to market and credit risk.

Because convertible securities can be converted into equity securities, their value will normally vary in some proportion with those of the underlying equity securities.

A listing on The Irish Stock Exchange will not necessarily provide liquidity to investors. Investors should note that not all classes of all funds will be listed and in this regard they should refer to the Full Prospectus.

The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please see the heading “Taxation” below.

Although each Fund will be treated as bearing its own liabilities, the Company as a whole will remain liable to third parties.

For further details see the headings “Risk Factors” and “Allocation of Assets and Liabilities” in the Full Prospectus.

The value of investments may fall as well as rise and investors may not receive back the amount invested.

A more detailed description of the risk factors that apply to the Company is set out in the Full Prospectus.

PROFILE OF A TYPICAL INVESTOR:

Suitable for investors seeking is to achieve an attractive level of return from an actively managed portfolio of sterling denominated fixed income securities

DISTRIBUTION POLICY:

Dividends will normally be paid in April and October of each year.

Dividends, if declared, will only be paid out of the Fund's net investment income return (i.e. income from dividends, interest or otherwise, less the Fund's accrued expenses to be certified for the accounting period) and/or of capital gains (in accordance with the Articles) in any case where this is necessary in order for the Company to be certified as a “distributing fund” (see the heading Taxation - United Kingdom Taxation in the Full Prospectus). Any dividend paid on a share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited for the benefit of the relevant Fund.

FEES AND EXPENSES:

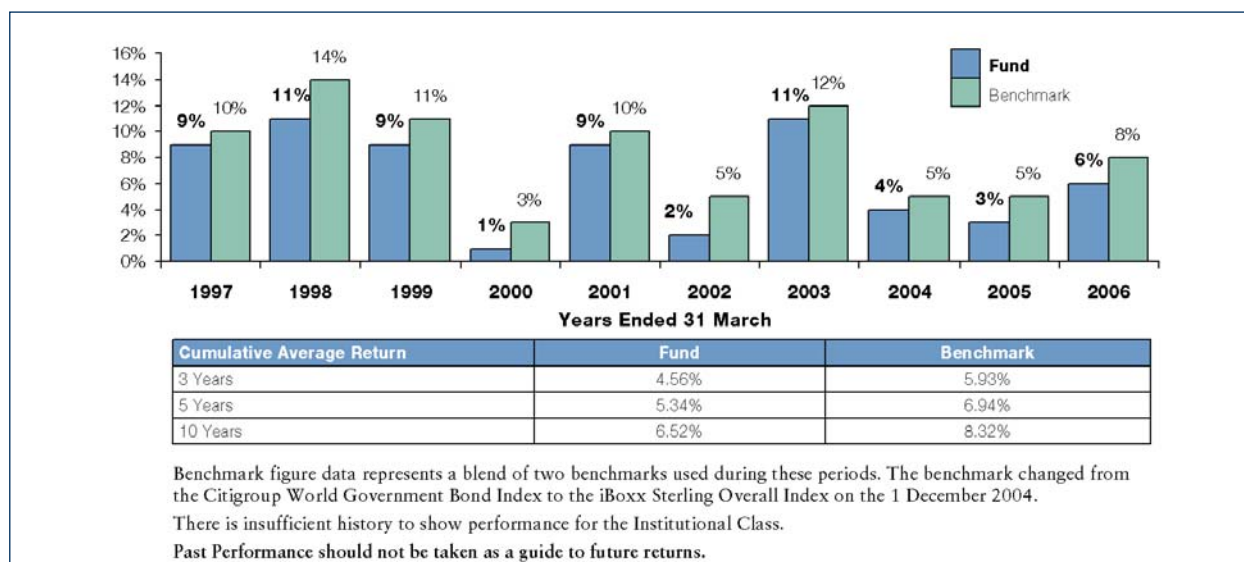
Shareholders Expenses

Subscription Fee: Preliminary charge on the Retail Class of up to 7% of the Subscription Price.

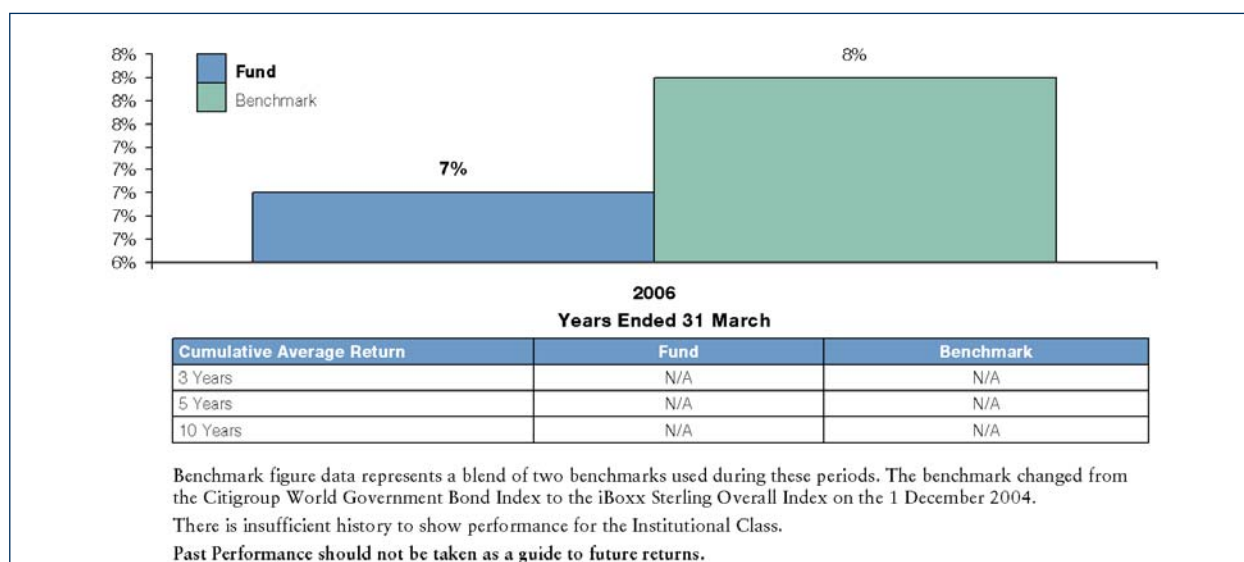
No preliminary fee will be charged in relation to the X Class or the Institutional Class.

Redemption Fee: Up to 2% of the Redemption Price if the directors have reason to believe any shareholder seeking redemption is attempting any form of arbitrage on the yield of the Shares.

PERFORMANCE DATA – RETAIL SHARE CLASS



PERFORMANCE DATA – X SHARE CLASS



Those fees will only be charged in the circumstances set out in the Full Prospectus under the heading “Subscriptions” or “Redemptions”.

ANNUAL OPERATING EXPENSES

Institutional and Retail Classes

The Manager is entitled to a charge of 0.30% per annum of the Net Asset Value attributable to the Institutional Class and 1.0% per annum of the Net Asset Value attributable to the Retail Class. These fees will be accrued daily based on the daily Net Asset Value attributable to each class and will be paid monthly in arrears. The Manager will be responsible for discharging the fees and expenses of the Investment Manager out of its fee.

X Class

There will be no management fees/expenses charged to the assets attributable to the X Class. Shareholders in the class will be subject to a fee with regard to their investment in the Fund based on the Investor Agreement between themselves and the Investment Manager or a Lazard Affiliate.

The Manager reserves the right to repurchase the entire holding of shares of any Shareholder (deducting any amount owed for unpaid investment management fees), if the relevant Investor Agreement is terminated for any reason whatsoever.

Other Expenses

Each class of Shares of the Fund shall bear its attributable proportion of the other expenses of the Company subject to a cap of 0.30% per annum of the Net Asset Value of the Fund (apart from brokerage or other expenses of acquiring and disposing of Investments and taxation liabilities). The Manager will be responsible for any expenses in excess of this limit. These are set out in detail under the heading “Fees and Expenses” in the Full Prospectus.

Directors' Fees

The Directors shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Directors provided that no Director may be paid in excess of €45,000 in any one financial year without the approval of the Board of Directors of the Company. Directors who are executives of the Lazard Group will not be paid such fees. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company.

Total Expense Ratio (“TER”) %

Lazard Sterling High Quality Bond Fund

Institutional Class	0.60%
Retail Class	1.30%

TERs are only included where the relevant Share Class is

in issue.

Historical information in relation to the TER may be obtained from the offices of the Investment Manager.

Portfolio Turnover Rate
Fiscal year 1 April 05-31 March 06
Lazard Sterling High Quality Bond Fund 25.12%

TAXATION:

The Company is resident in Ireland for tax purposes and is not subject to Irish taxation charges on income or capital gains. No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company.

Shareholders and potential investors should consult with their professional advisers in relation to the tax treatment of their holdings in the Company.

PUBLICATION OF SHARE PRICE:

The Net Asset Value per Share will be available to Shareholders on request. The Net Asset Value per Share of each class shall be published and kept up to date by the Administrator, made public at the offices of the Investment Manager and the Administrator during normal business hours on each Business Day and will be published daily in the London Financial Times and notified by the Administrator to the Irish Stock Exchange.

HOW TO BUY/SELL UNITS/SHARES:

You can buy, sell and switch shares on any Dealing Day directly from the Administrator:

You can buy, sell and switch shares on any Dealing Day directly from the Administrator:

PFPC International Limited
IDA Business Park
Drinagh
Wexford Town
Ireland

Tel: + 353-53-9149888
Fax: + 353-53-9153901

Initial Subscriptions: Minimum Subscription Amount

Retail Class
£ Sterling 1,000 or its US\$ or € equivalent

Institutional Class
£ Sterling 250,000 or its US\$ or € equivalent

X Class
£ Sterling 500,000 or its US\$ or € equivalent

An investor in the X Class must have a current Investor Agreement with either the Investment Manager or a Lazard Affiliate in order to be entitled to subscribe for Shares.

Subsequent Subscriptions

Any subsequent subscriptions for any class must be not less than £ Sterling 500 or its € or US\$ equivalent (or less at the discretion of the Manager).

Investors should refer to the Full Prospectus for full information.

ADDITIONAL IMPORTANT INFORMATION:

Directors of the Company
Michael Chapman, Paolo Angeloni, William Smith, John Donohoe & Daniel Morrissey.

Manager
Lazard Fund Managers (Ireland) Limited
Riverside Two
Sir John Rogersons Quay
Grand Canal Dock, Dublin 2
Ireland

Custodian
PFPC Trustee & Custodial Services Limited
Riverside Two
Sir John Rogersons Quay
Grand Canal Dock, Dublin 2
Ireland

Administrator, Registrar and Transfer Agent
PFPC International Limited
Riverside Two
Sir John Rogersons Quay
Grand Canal Dock, Dublin 2
Ireland

Investment Manager
Lazard Asset Management Limited
50 Stratton Street, London W1J 8LL
England

Company Secretary
Wilton Secretarial Limited
First Floor, Fitzwilton House
Wilton Place, Dublin 2
Ireland

Auditors
PricewaterhouseCoopers
Chartered Accountants
P.O. Box 1283
George's Quay, Dublin 2
Ireland

Legal Advisers to the Company as to Irish law
William Fry Solicitors
Fitzwilton House, Wilton Place, Dublin 2
Ireland

Legal Advisers to the Company as to English law
MacFarlanes
10 Norwich Street, London EC4A 1BD
England

Competent Authority
Irish Financial Services Regulatory
Authority

Additional information and copies of the Full Prospectus and periodic reports may be obtained (free of charge) from:

PFPC International Limited
IDA Business Park
Drinagh, Wexford Town
Ireland

APPENDIX I

There are thirteen other funds of the Company, the names of which are set out below. The Lazard European High Quality Bond Fund is currently not seeded but is available for investment on request.

- Lazard European Equity Fund
- Lazard Pan-European Equity Fund
- Lazard Japanese Equity Fund
- Lazard North American Equity Fund
- Lazard Global Equity Fund
- Lazard UK Equity Fund
- Lazard European Smaller Companies Equity Fund
- Lazard Emerging World Fund
- Lazard Global High Quality Bond Fund
- Lazard European High Yield Bond Fund
- Lazard Thematic Global Fund
- Lazard Thematic Global ex-Japan Fund