

23 February 2022

Dear Investor,

Lazard Emerging Markets Total Return Debt Fund (Fund)

Lazard Asset Management Pacific Co. (Lazard), the Responsible Entity of the Fund, wishes to advise you of some proposed changes to the Fund.

Investment in Underlying Fund

As stated in the Fund's Product Disclosure Statement (PDS), dated 1 December 2021, the Fund is currently substantially invested in the Australian dollar share class of the Lazard Emerging Markets Total Return Debt Fund (the Underlying Fund), which is qualified as a UCITS (an Undertakings for Collective Investment in Transferable Securities). The PDS also states that Lazard will give unitholders 30 days' prior written notice if it changes the way in which it implements the Fund's investment strategy.

When the Fund was established, due to the relatively small value of assets in the Fund, Lazard considered that investment through the Underlying Fund was a better way to implement the Fund's investment strategy in the interests of unitholders in the Fund. Now that the Fund has grown in size, Lazard considers that direct implementation of the Fund's investment strategy is the preferable way to implement the Fund's investment strategy, in the interests of unitholders. Further, the change in the implementation of the Fund's investment strategy, does not involve a change to the investment strategy itself and Lazard Asset Management LLC will continue to act as the investment manager for the Fund.

Lazard therefore wishes to provide at least 30 days' prior written notice to unitholders in the Fund, that from or soon after 29 March 2022, the Fund will commence the withdrawal process, as described below, to implement the investment strategy by investing directly in a portfolio of assets consistent with that strategy rather than through buying shares in the Underlying Fund.

Withdrawal from the Underlying Fund will be implemented by a combination of in specie transfer of assets in the Underlying Fund, referable to the share class in which the Fund is currently invested, that are able to be transferred, closing out of any derivative contracts and payment of cash received from the sale of assets that are not able to be transferred in specie. The Fund will then enter into new derivative contracts and buy assets in the Fund with the cash received. Any transaction costs incurred in the withdrawal from the Underlying Fund, entering new derivatives contracts and buying assets, will be incurred by the Fund.

Based on external advice, our understanding is that the withdrawal will involve a capital realisation event in the Fund. As the Fund currently has unrealised capital losses, the capital losses once realised will be used by the Fund to offset any future capital gains within the Fund. We recommend unitholders also

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seek their own tax advice on their individual circumstances regarding the Fund's withdrawal from the Underlying Fund.

Additional changes

In conjunction with the change described above, Lazard will also be lowering the Management Costs for the Fund, removing the Performance Fee, introducing a buy/sell spread and changing the distribution frequency for the Fund, as follows:

1. the Management Costs will reduce from 0.94% p.a. of the Fund's Net Asset Value (NAV) to 0.84% p.a. of the NAV;
2. the Performance Fee of 20% of the outperformance above the Fund's Hurdle Rate will be removed and will no longer apply;
3. a buy/sell spread of 0.30% may be added to or subtracted from (as relevant) the unit price when a unitholder makes an application in or withdrawal from the Fund; and
4. the Fund had previously distributed income, on a six monthly basis to align with the six monthly distribution cycle of the Underlying Fund. The Fund will now generally distribute an amount equal to the taxable income of the Fund, if any, annually to unitholders in proportion to their unit holding as determined on the last business day of the distribution period.

Post these changes

After the withdrawal from the Underlying Fund has been completed and the above additional changes have also been implemented, we will provide unitholders with details of their current units on issue and the unit price.

A Supplementary PDS for the Fund has been issued to reflect these changes. Copies of the Fund's Supplementary PDS are available upon request from Lazard, or from our website at www.lazardassetmanagement.com.

We may communicate with you again during this process to provide an update on the changes described in this letter.

If you have any queries in relation to the above, please do not hesitate to contact our client service team on 1800 825 287 or investorqueries@lazard.com.

Sincerely



Ashlee Luca
Client Service Team
Lazard Asset Management Pacific Co.