

Lazard Asset Management Limited

Conflicts of Interest Disclosure Statement

October
2024

Introduction

Lazard Asset Management Limited (“LAML”, “we”, “us”) is authorised and regulated by the Financial Conduct Authority. As such, we are required to take all appropriate steps to identify and to prevent or manage conflicts of interest between:

- a. LAML itself (including our managers, employees and other agents) and one or more of our clients; or
- b. Two or more of our clients.

When making investment decisions or trading for our clients, we must always act in our clients’ best interests and put our clients’ interests ahead of our own. LAML has put in place a number of policies to identify and prevent or manage conflicts or potential conflicts. We recognise that confidence in our integrity, when acting on behalf of our clients, is central to the relationship of trust between us and our clients.

The governance framework and policies outlined below, summarise how LAML identifies, prevents and manages conflicts of interest.

It is the responsibility of all LAML employees to understand and apply our Conflicts of Interest Policies.

Main Conflict Management Policies

The information below is not an exhaustive list of our conflicts of interest, but is instead a summary. LAML keeps the identification, prevention and management of conflicts of interest under constant review.

Policies and procedures:

LAML has put in place a robust governance structure, which includes global and local committees to identify, prevent, remove, mitigate and manage conflicts. LAML has adopted policies and procedures throughout our business (in line with the Lazard Asset Management Group more widely) to manage conflicts of interests. These policies and procedures are subject to Compliance monitoring and review processes, as well as senior management supervision and review. LAML maintains open lines of communication across its control functions and the business including client relationship teams, investment management and marketing. Conflict management in Lazard is such that it is every employee’s responsibility to be aware of actual and potential conflicts. LAML believes that our corporate governance and policies and procedures are suitable for our size, organisational structure and business model. The following mechanisms are used to ensure that LAML can identify, prevent, remove, mitigate or manage any potential conflicts of interest.

Information barriers:

Lazard Asset Management LLC (LAM), the asset management parent of LAML, has itself or via its subsidiaries, a number of policies to create barriers to the flow of information between LAM, its subsidiaries and other companies within the Lazard Group. These barriers are known as “Chinese Walls”. Some Chinese Walls are physical such as card key security areas within LAM and the Lazard Advisory business. There is also technology in place to capture wall crossing emails as well as having separate IT Systems in place. Some are functional, through management controls and procedures.

Outside employment or other activities:

It is prohibited for any LAML employee to undertake any employment or other outside activity, which may conflict with their duties and responsibilities as a LAML employee, without the prior approval of the employee’s supervising Director and the Head of Legal or the Head of Compliance. Where appropriate, the Head of Legal or the Head of Compliance will discuss with the LAM LLC CCO or General Counsel. Such involvement is not encouraged.

Personal Dealing:

LAML has implemented a Personal Account Dealing policy which forms a part of every employee’s contract of employment. Generally, no employee or any person deemed a ‘connected person’ may trade any type of security or listed investment trusts/closed ended funds without the prior approval of a line manager and the Compliance department.

Employees are required to certify on an annual basis that they abided by the Personal Account Dealing policy. They are also required to certify on a quarterly basis that they have not carried out any PA Dealing in that quarter other than in conformity with the PA Dealing Process.

Inducements:

LAML has a clear duty to its clients as a fiduciary. Policies and procedures have been put in place which are designed to ensure that the firm and its employees act honestly, fairly and professionally in accordance with the best interests of its clients. There are strict prohibitions on receiving any inducement or commission outside of the LAML policies and procedures.

Gifts & Entertainment:

LAM LLC and its subsidiaries have robust policies around the provision and receipt of corporate entertainment and gifts. This is reflected in LAML's policies. LAML has implemented policies and procedures, which are designed to ensure that any gifts and entertainment given or received by employees are reasonable in regard to cost, frequency and the type of gift or entertainment. The giving of gifts other than of a minor or promotional nature are prohibited. The receipt of gifts (other than minor gifts of a promotional nature or of a very low monetary value) is prohibited. All entertainment received must be recorded. All entertainment received over a low monetary threshold is prohibited. All business meals accepted must be sensible and proportionate. LAML operates an aggregate annual limit policy as well as individual limits and corporate entertainment is reviewed at market value. As an example, LAML does not take the face value ticket price where this is given within an entertainment package, as this rarely reflects the actual cost to the provider (or the giver) of the entertainment. Compliance conduct their own assessment as part of their approval process. Training is given in this area to further embed these policies into the culture of the firm, and regular monitoring is carried out.

Conflicting trades:

LAM has implemented a Conflicting Trade policy, which defines a conflicting trade as the establishment of a long position in one strategy and a short position in the same security for another strategy. LAM's policy is that a conflicting order which falls within an agreed definition is subject to prior review and approval from Compliance.

Dealing:

LAML does not carry out proprietary trading, or trading for its clients outside of a discretionary management service. LAM has implemented global dealing and allocation policies and procedures, which are designed to treat clients fairly across all of LAM globally. As a result, dealing desks must implement trading policies which are monitored by local compliance teams on a consistent basis using exception based monitoring, IT systems and full monitoring reviews. These policies are designed to ensure that transactions are allocated on a fair and reasonable basis.

Dealing policies are kept under close review. Issues are discussed at the Global Brokerage Committees as well as locally at LAML board level, at the LAML Operational Risk Committee and within the London Best Execution Committee where appropriate. The LAML compliance monitoring programme is designed to monitor the correct implementation of dealing desk policies and there is close liaison with compliance teams in each LAM office. Internal audit carry out robust audit checks in this area, in accordance with their rolling internal audit plan and they conduct their audits across all relevant desks within a similar time frame on a global basis, producing both individual local reports and a global report for the firm.

Non-monetary benefits

LAML and any affiliate may receive non-monetary benefits from third parties, which are capable of enhancing the quality of our services to our clients, and do not impair compliance within our duty to act honestly, fairly and professionally in the best interests of our clients. Any such benefits will be reasonable, proportionate and of a scale that is unlikely to influence LAML's behaviour in any way that is detrimental to the interests of our clients.

Examples include (but are not limited to);

- information or documentation that is generic in nature, relating to a financial instrument or an investment service;
- written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public;
- participation in conferences or seminars etc. on the benefits and features of a specific financial instrument or an investment service;
- hospitality of a reasonable de minimis value, such as food and drink during a meeting, conference or similar;
- research relating to an issue of shares, debentures, warrants or certificates representing certain securities by an issuer, which is produced prior to the issue being completed; and by a person that is providing underwriting or placing services to the issuer on that issue; and made available to prospective investors in the issue; or
- research that is received so that we may evaluate the research provider's research service, provided that it is received during a trial period that lasts no longer than three months.

Any such benefits would only be received in accordance with applicable FCA rules.