

# **French open-end investment fund (FCP)**

## **LAZARD ACTIONS EURO**

### **ANNUAL REPORT**

as of September 29th, 2023

**Management company: Lazard Frères Gestion SAS**

**Custodian: CACEIS Bank**

**Statutory auditor: Deloitte & Associés**

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# KEY INFORMATION DOCUMENT

## Lazard Actions Euro

# LAZARD

FRÈRES GESTION

### OBJECTIVE

*This document contains key information about the investment product. It is not a sales document. This information is required by law to help you understand the nature and potential risks, costs, gains and losses of this product and to help you compare it to other products.*

### PRODUCT

<b>Product name:</b>	Lazard Actions Euro - IC shares
<b>ISIN code:</b>	FR0010259945
<b>PRIIPS Initiator:</b>	LAZARD FRERES GESTION SAS
<b>Website:</b>	www.lazardfreresgestion.fr
<b>Contact:</b>	Call +33 (0)1 44 13 01 79 for more information
<b>Competent authority:</b>	The French Financial Markets Authority (Autorité des Marchés Financiers- AMF) is responsible for supervising LAZARD FRERES GESTION SAS with regard to this key information document.
<b>Country of authorisation and approval:</b>	LAZARD FRERES GESTION SAS is approved in France under no. GP-04000068 and regulated by the AMF.
<b>Date of production of the key information document:</b>	18/08/2023

### WHAT DOES THIS PRODUCT CONSIST OF?

**Type:** Undertaking for Collective Investment in Transferable Securities (UCITS), Mutual Fund (FCP)

**Term:** The UCI's term is 99 years, commencing from January 19th, 2006, except in the event that the Fund is dissolved before the end of the term or extended pursuant to the regulations.

#### Objectives:

The Fund is a Feeder fund of the PD EUR share of the SICAV Lazard Equity SRI (hereinafter the "Master UCI"). Its investment objective is to obtain, over the recommended investment period, a performance net of fees higher than that of the following benchmark index: Euro Stoxx in euro terms, dividends or net interest reinvested, through an active policy of socially responsible investment based on financial, social, societal, environmental and governance criteria. The Fund may deliver a lower return than the Master UCI, due in particular to its own specific management fees.

The feeder Fund is invested in full in PD EUR shares of the Master UCI and on an ancillary basis in cash.

**Reminder of the investment objective of the Master UCI:** The SICAV will be 90% invested in and exposed to Eurozone equities. To support his investment policy, the manager has opted for a "best in class" positioning.

The UCI promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088, the so-called "SFDR". The management team relies on its own internal analysis of ESG (environmental, social and governance) criteria as well as on the services of our ESG partner.

The stock selection process consists of two distinct, simultaneous and necessary phases:

A. **The non-financial filter.** The SICAV is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. For a stock to be eligible for the SICAV's portfolio, it must meet three conditions.

**Condition 1: have a score at least equal to "=" in Human Resources**

The quality of general working conditions, fostering of employer-employee relations, job enhancement and skills training are the main factors examined.

**Condition 2: obtain a weighted average score of at least "="**

Lazard Frères Gestion requires each of the five areas of non-financial analysis to be weighted according to their importance:

- Human resources (40%), Environment (30%), Customer-supplier relations (10%), Human rights (10%), Community involvement (10%)

**Condition 3: obtain an internal governance score of more than 2 out of 5**

The methodology for covering issuers through ESG analysis is detailed in the prospectus. The analyst-managers ensure that an exclusion rate of 20% or more of the lowest-rated securities in the UCI's investment universe is maintained. For the sake of integrity and objectivity, the scores used to apply this exclusion rate are provided by an external rating agency.

B. **The financial filter.** Financial analysis focuses on three elements: profitability, growth and valuation.

- Economic profitability is the ability of a company to create value over the long-term. It is measured by the return on capital employed.
- Growth is the ability of a company to increase capital employed while maintaining a level of profitability at least equal to what it has been historically.
- Valuation is based on a multi-criteria approach (historical multiples, DCF, comparable multiples)

Further information on the investment strategy can be found in the UCI's prospectus.

The SICAV may hold up to 10% of its net assets in French or foreign UCITS and/or French or EU-based alternative investment funds (AIFs) that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (Code monétaire et financier), and/or foreign investment funds that meet the four criteria of Article R.214-13 of the French Monetary and Financial Code, provided these funds themselves invest less than 10% of their assets in other UCIs. All the UCIs may be managed by Lazard Frères Gestion SAS.

The SICAV may use, within a limit of 10% of its net assets, equity, equity index and currency futures, equity, equity index and currency options, equity and currency swaps and currency forwards, traded on regulated, organised and/or over-the-counter markets, to hedge the portfolio against equity and currency risk. Hedging will be discretionary.

Allocation of distributable income:

- Allocation of net income: Accumulation
- Allocation of net realised capital gains: Accumulation

Right of redemption: Orders are executed in accordance with the table below

Business day	Day of establishment of the NAV (D)	The business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt of orders and daily centralisation of subscription and redemption orders before 10:00 a.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

**Targeted retail investors:** This product may be suitable for retail investors with a limited level of knowledge of financial markets and products who seek exposure to equities in Eurozone countries and who accept the risk of losing part of the invested capital. The UCI may not be offered or sold in the United States. For further information, please refer to the section of the prospectus entitled "11. Eligible subscribers and typical investor profile" in the prospectus.

**Recommendation:** This UCI may not be suitable for investors planning to withdraw their investment within five years.

**Name of custodian:** CACEIS BANK

**Where/how to obtain information on the feeder UCI and the master UCI:**

All other practical information on this product, including the latest unit price, the prospectus, the latest annual and periodic reports, the composition of assets and the standards of LAZARD FRÈRES GESTION SAS with regard to the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to LAZARD FRÈRES GESTION SAS, 25, rue de Courcelles, 75008 Paris, France.

## WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

**Risk indicator:**



The risk indicator assumes that you keep the product for 5 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return.

Other sizeable risks not taken into account in the indicator:

Recommended holding period:

**5 years**

- Derivatives risk

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product as risk class 4 out of 7, which is a medium risk class. In other words, the potential losses linked to the future results of the product are at an average level and, if the situation were to deteriorate on the markets, it is possible that the ability of LAZARD FRÈRES GESTION SAS to pay you would be affected. As this product does not provide protection against market risks, you could lose all or part of your investment.

**Performance scenarios:**

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you will get from this product depends on future market performance. Future market developments are uncertain and cannot be accurately predicted.

The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product over the past 10 years. Markets could evolve very differently in the future.

Recommended holding period: 5 years Investment example: 10,000 €			
Scenarios		If you exit after 1 year	If you exit after 5 years
<i>Minimum</i>		<i>There is no guaranteed minimum return. You could lose all or part of your investment.</i>	
<b>Tensions</b>	<i>What you could get after deducting costs</i>	1 540 €	2 770 €
	<b>Average annual return</b>	-84,6%	-22,7%
<b>Unfavourable</b>	<i>What you could get after deducting costs</i>	7 670 €	2 770 €
	<b>Average annual return</b>	-23,3%	-22,7%
<b>Intermediary</b>	<i>What you could get after deducting costs</i>	10 190 €	12 710 €
	<b>Average annual return</b>	1,9%	4,9%
<b>Favourable</b>	<i>What you could get after deducting costs</i>	14 260 €	17 920 €
	<b>Average annual return</b>	42,6%	12,4%

The stress scenario shows what you could get in extreme market situations.

**Adverse scenario:** This type of scenario occurred for an investment between 14/03/2019 and 14/03/2020

**Interim scenario:** This type of scenario occurred for an investment between 14/03/2017 and 14/03/2018

**Favourable scenario:** This type of scenario occurred for an investment between 14/05/2020 and 14/05/2021

## WHAT HAPPENS IF LAZARD FRÈRES GESTION SAS IS UNABLE TO MAKE PAYMENTS?

The product is a co-ownership of financial instruments and deposits separate from the portfolio management company. In the event of default by the latter, the assets of the product held by the custodian will not be affected. In the event of default by the custodian, the risk of financial

loss to the product is mitigated by the legal segregation of the assets of the custodian from those of the product.

## WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

### Costs over time:

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed that:

- in the first year you would get back the amount you invested (annual return of 0.0%)
- for the remaining holding periods, the product evolves as indicated in the intermediate scenario
- €10,000 is invested

	If you exit after 1 year	If you exit after 5 years
Total costs	580 €	1 635 €
Impact of annual costs	5,9%	2,8% each year

(\*) It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 7,7% before deduction of costs and 4,9% after deduction of costs.

### Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4,00% of the amount invested. This is the maximum amount you could be required to pay. The person selling you the product will inform you of the actual costs.	Up to 400 €
Exit costs	We do not charge exit costs.	0 €
Recurring costs incurred each year		
Management fees and other administrative and operating costs	1,70% of the value of your investment per year. This estimate is based on actual costs over the past year.	163 €
Transaction costs	0,17% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	17 €
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	0 €

## HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?

### Recommended holding period: 5 years

This product does not have a minimum holding period requirement. The recommended holding period (5 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

## HOW CAN I MAKE A COMPLAINT?

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By email: [lfj.juridique@lazard.fr](mailto:lfj.juridique@lazard.fr)

A description of the complaint handling process is available on our website at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

## OTHER RELEVANT INFORMATION

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR).

You can obtain more information on this product on the website of LAZARD FRERES GESTION SAS. A paper copy will be made available free of charge upon written request to LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France. You can also find information on the product's performance over the past years and performance scenario calculations at [https://www.lazardfreresgestion.fr/FR/Fiche-fonds\\_93.html?idFond=EUA](https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=EUA)

Where this product is used as a unit-linked vehicle for a life insurance or capitalisation contract, additional information about this contract, such as the costs of the contract, which are not included in the costs indicated in this document, the contact in the event of a claim and what happens in the event of default of the insurance company, are presented in the key information document of this contract which must be provided by your insurer or broker or any other insurance intermediary in accordance with their legal obligation.

If you disagree with a response to a complaint, you may choose to contact the AMF Ombudsman (Autorité des Marchés Financiers - 17 place de la Bourse, 75082 Paris Cedex 02), once you have exhausted all internal appeal procedures. The form for requesting mediation from the AMF and the mediation charter are available on the website <http://www.amf-france.org>.

In your UCI, there is a redemption cap ("Gates"). Please refer to point 15 of the prospectus.

# KEY INFORMATION DOCUMENT

## Lazard Actions Euro

# LAZARD

FRÈRES GESTION

### OBJECTIVE

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### PRODUCT

<b>Product name:</b>	Lazard Actions Euro - R shares
<b>ISIN code:</b>	FR0010679886
<b>PRIIPS Initiator:</b>	LAZARD FRERES GESTION SAS
<b>Website:</b>	www.lazardfreresgestion.fr
<b>Contact:</b>	Call +33 (0)1 44 13 01 79 for more information
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#### Objectives:

The Fund is a Feeder fund of the PD EUR share of the SICAV Lazard Equity SRI (hereinafter the "Master UCI"). Its investment objective is to obtain, over the recommended investment period, a performance net of fees higher than that of the following benchmark index: Euro Stoxx in euro terms, dividends or net interest reinvested, through an active policy of socially responsible investment based on financial, social, societal, environmental and governance criteria. The Fund may deliver a lower return than the Master UCI, due in particular to its own specific management fees.

The feeder Fund is invested in full in PD EUR shares of the Master UCI and on an ancillary basis in cash.

**Reminder of the investment objective of the Master UCI:** The SICAV will be 90% invested in and exposed to Eurozone equities. To support his investment policy, the manager has opted for a "best in class" positioning.

The UCI promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088, the so-called "SFDR". The management team relies on its own internal analysis of ESG (environmental, social and governance) criteria as well as on the services of our ESG partner.

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A. **The non-financial filter.** The SICAV is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. For a stock to be eligible for the SICAV's portfolio, it must meet three conditions.

**Condition 1: have a score at least equal to "=" in Human Resources**

The quality of general working conditions, fostering of employer-employee relations, job enhancement and skills training are the main factors examined.

**Condition 2: obtain a weighted average score of at least "="**

Lazard Frères Gestion requires each of the five areas of non-financial analysis to be weighted according to their importance:

- Human resources (40%), Environment (30%), Customer-supplier relations (10%), Human rights (10%), Community involvement (10%)

**Condition 3: obtain an internal governance score of more than 2 out of 5**

The methodology for covering issuers through ESG analysis is detailed in the prospectus. The analyst-managers ensure that an exclusion rate of 20% or more of the lowest-rated securities in the UCI's investment universe is maintained. For the sake of integrity and objectivity, the scores used to apply this exclusion rate are provided by an external rating agency.

B. **The financial filter.** Financial analysis focuses on three elements: profitability, growth and valuation.

- Economic profitability is the ability of a company to create value over the long-term. It is measured by the return on capital employed.
- Growth is the ability of a company to increase capital employed while maintaining a level of profitability at least equal to what it has been historically.
- Valuation is based on a multi-criteria approach (historical multiples, DCF, comparable multiples)

Further information on the investment strategy can be found in the UCI's prospectus.

The SICAV may hold up to 10% of its net assets in French or foreign UCITS and/or French or EU-based alternative investment funds (AIFs) that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (Code monétaire et financier), and/or foreign investment funds that meet the four criteria of Article R.214-13 of the French Monetary and Financial Code, provided these funds themselves invest less than 10% of their assets in other UCIs. All the UCIs may be managed by Lazard Frères Gestion SAS.

The SICAV may use, within a limit of 10% of its net assets, equity, equity index and currency futures, equity, equity index and currency options, equity and currency swaps and currency forwards, traded on regulated, organised and/or over-the-counter markets, to hedge the portfolio against equity and currency risk. Hedging will be discretionary.

Allocation of distributable income:

- **Allocation of net income:** Accumulation and/or Distribution and/or Retention
- **Allocation of net realised capital gains:** Accumulation and/or Distribution and/or Retention

Right of redemption: Orders are executed in accordance with the table below

Business day	Day of establishment of the NAV (D)	The business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt of orders and daily centralisation of subscription and redemption orders before 10:00 a.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

**Targeted retail investors:** This product may be suitable for retail investors with a limited level of knowledge of financial markets and products who seek exposure to equities in Eurozone countries and who accept the risk of losing part of the invested capital. The UCI may not be offered or sold in the United States. For further information, please refer to section "11. Eligible subscribers and typical investor profile" in the prospectus.

**Recommendation: This UCI may not be suitable for investors planning to withdraw their investment within five years.**

**Name of custodian:** CACEIS BANK

**Where/how to obtain information on the feeder UCI and the master UCI:**

All other practical information on this product, including the latest unit price, the prospectus, the latest annual and periodic reports, the composition of assets and the standards of LAZARD FRÈRES GESTION SAS with regard to the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to LAZARD FRÈRES GESTION SAS, 25, rue de Courcelles, 75008 Paris, France.

## WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

**Risk indicator:**



The risk indicator assumes that you keep the product for 5 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return.

Other sizeable risks not taken into account in the indicator:

Recommended holding period:

**5 years**

- Derivatives risk

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product as risk class 4 out of 7, which is a medium risk class. In other words, the potential losses linked to the future results of the product are at an average level and, if the situation were to deteriorate on the markets, it is possible that the ability of LAZARD FRÈRES GESTION SAS to pay you would be affected. As this product does not provide protection against market risks, you could lose all or part of your investment.

**Performance scenarios:**

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you will get from this product depends on future market performance. Future market developments are uncertain and cannot be accurately predicted.

The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product over the past 10 years. Markets could evolve very differently in the future.

Recommended holding period: 5 years Investment example: 10,000 €			
Scenarios		If you exit after 1 year	If you exit after 5 years
<i>Minimum</i>		<i>There is no guaranteed minimum return. You could lose all or part of your investment.</i>	
<b>Tensions</b>	<i>What you could get after deducting costs</i>	1 540 €	2 760 €
	<b>Average annual return</b>	-84,6%	-22,7%
<b>Unfavourable</b>	<i>What you could get after deducting costs</i>	7 620 €	2 760 €
	<b>Average annual return</b>	-23,8%	-22,7%
<b>Intermediary</b>	<i>What you could get after deducting costs</i>	10 120 €	12 310 €
	<b>Average annual return</b>	1,2%	4,2%
<b>Favourable</b>	<i>What you could get after deducting costs</i>	14 170 €	17 350 €
	<b>Average annual return</b>	41,7%	11,7%

The stress scenario shows what you could get in extreme market situations.

Adverse scenario: This type of scenario occurred for an investment between 14/03/2019 and 14/03/2020

Interim scenario: This type of scenario occurred for an investment between 14/03/2017 and 14/03/2018

Favourable scenario: This type of scenario occurred for an investment between 14/05/2020 and 14/05/2021

## WHAT HAPPENS IF LAZARD FRÈRES GESTION SAS IS UNABLE TO MAKE PAYMENTS?

The product is a co-ownership of financial instruments and deposits separate from the portfolio management company. In the event of default by the latter, the assets of the product held by the custodian will not be affected. In the event of default by the custodian, the risk of financial

loss to the product is mitigated by the legal segregation of the assets of the custodian from those of the product.

## WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

### Costs over time:

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed that:

- in the first year you would get back the amount you invested (annual return of 0.0%)
- for the remaining holding periods, the product evolves as indicated in the intermediate scenario
- €10,000 is invested

	If you exit after 1 year	If you exit after 5 years
Total costs	590 €	1 661 €
Impact of annual costs	6,0%	2,9% each year

(\*) It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 7,1% before deduction of costs and 4,2% after deduction of costs.

### Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4,00% of the amount invested. This is the maximum amount you could be required to pay. The person selling you the product will inform you of the actual costs.	Up to 400 €
Exit costs	We do not charge exit costs.	0 €
Recurring costs incurred each year		
Management fees and other administrative and operating costs	1,80% of the value of your investment per year. This estimate is based on actual costs over the past year.	173 €
Transaction costs	0,17% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	17 €
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	0 €

## HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?

### Recommended holding period: 5 years

This product does not have a minimum holding period requirement. The recommended holding period (5 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

## HOW CAN I MAKE A COMPLAINT?

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By email: [lfg.juridique@lazard.fr](mailto:lfg.juridique@lazard.fr)

A description of the complaint handling process is available on our website at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

## OTHER RELEVANT INFORMATION

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR).

You can obtain more information on this product on the website of LAZARD FRERES GESTION SAS. A paper copy will be made available free of charge upon written request to LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France. You can also find information on the product's performance over the past years and performance scenario calculations at [https://www.lazardfreresgestion.fr/FR/Fiche-fonds\\_93.html?idFond=EUR](https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=EUR)

Where this product is used as a unit-linked vehicle for a life insurance or capitalisation contract, additional information about this contract, such as the costs of the contract, which are not included in the costs indicated in this document, the contact in the event of a claim and what happens in the event of default of the insurance company, are presented in the key information document of this contract which must be provided by your insurer or broker or any other insurance intermediary in accordance with their legal obligation.

If you disagree with a response to a complaint, you may choose to contact the AMF Ombudsman (Autorité des Marchés Financiers - 17 place de la Bourse, 75082 Paris Cedex 02), once you have exhausted all internal appeal procedures. The form for requesting mediation from the AMF and the mediation charter are available on the website <http://www.amf-france.org>.

In your UCI, there is a redemption cap ("Gates"). Please refer to point 15 of the prospectus.



# KEY INFORMATION DOCUMENT

## Lazard Actions Euro

# LAZARD

FRÈRES GESTION

### OBJECTIVE

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### PRODUCT

<b>Product name:</b>	Lazard Actions Euro - ID shares
<b>ISIN code:</b>	FR0011710557
<b>PRIIPS Initiator:</b>	LAZARD FRERES GESTION SAS
<b>Website:</b>	www.lazardfreresgestion.fr
<b>Contact:</b>	Call +33 (0)1 44 13 01 79 for more information
<b>Competent authority:</b>	The French Financial Markets Authority (Autorité des Marchés Financiers- AMF) is responsible for supervising LAZARD FRERES GESTION SAS with regard to this key information document.
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**Term:** The UCI's term is 99 years, commencing from January 19th, 2006, except in the event that the Fund is dissolved before the end of the term or extended pursuant to the regulations.

#### Objectives:

The Fund is a Feeder fund of the PD EUR share of the SICAV Lazard Equity SRI (hereinafter the "Master UCI"). Its investment objective is to obtain, over the recommended investment period, a performance net of fees higher than that of the following benchmark index: Euro Stoxx in euro terms, dividends or net interest reinvested, through an active policy of socially responsible investment based on financial, social, societal, environmental and governance criteria. The Fund may deliver a lower return than the Master UCI, due in particular to its own specific management fees.

The feeder Fund is invested in full in PD EUR shares of the Master UCI and on an ancillary basis in cash.

**Reminder of the investment objective of the Master UCI:** The SICAV will be 90% invested in and exposed to Eurozone equities. To support his investment policy, the manager has opted for a "best in class" positioning.

The UCI promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088, the so-called "SFDR". The management team relies on its own internal analysis of ESG (environmental, social and governance) criteria as well as on the services of our ESG partner.

The stock selection process consists of two distinct, simultaneous and necessary phases:

A. **The non-financial filter.** The SICAV is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. For a stock to be eligible for the SICAV's portfolio, it must meet three conditions.

**Condition 1: have a score at least equal to "=" in Human Resources**

The quality of general working conditions, fostering of employer-employee relations, job enhancement and skills training are the main factors examined.

**Condition 2: obtain a weighted average score of at least "="**

Lazard Frères Gestion requires each of the five areas of non-financial analysis to be weighted according to their importance:

- Human resources (40%), Environment (30%), Customer-supplier relations (10%), Human rights (10%), Community involvement (10%)

**Condition 3: obtain an internal governance score of more than 2 out of 5**

The methodology for covering issuers through ESG analysis is detailed in the prospectus. The analyst-managers ensure that an exclusion rate of 20% or more of the lowest-rated securities in the UCI's investment universe is maintained. For the sake of integrity and objectivity, the scores used to apply this exclusion rate are provided by an external rating agency.

B. **The financial filter.** Financial analysis focuses on three elements: profitability, growth and valuation.

- Economic profitability is the ability of a company to create value over the long-term. It is measured by the return on capital employed.
- Growth is the ability of a company to increase capital employed while maintaining a level of profitability at least equal to what it has been historically.
- Valuation is based on a multi-criteria approach (historical multiples, DCF, comparable multiples)

Further information on the investment strategy can be found in the UCI's prospectus.

The SICAV may hold up to 10% of its net assets in French or foreign UCITS and/or French or EU-based alternative investment funds (AIFs) that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (Code monétaire et financier), and/or foreign investment funds that meet the four criteria of Article R.214-13 of the French Monetary and Financial Code, provided these funds themselves invest less than 10% of their assets in other UCIs. All the UCIs may be managed by Lazard Frères Gestion SAS.

The SICAV may use, within a limit of 10% of its net assets, equity, equity index and currency futures, equity, equity index and currency options, equity and currency swaps and currency forwards, traded on regulated, organised and/or over-the-counter markets, to hedge the portfolio against equity and currency risk. Hedging will be discretionary.

Allocation of distributable income:

- Allocation of net income: Distribution
- Allocation of net realised capital gains: Accumulation and/or Distribution and/or Retention

Right of redemption: Orders are executed in accordance with the table below

Business day	Day of establishment of the NAV (D)	The business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt of orders and daily centralisation of subscription and redemption orders before 10:00 a.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

**Targeted retail investors:** This product may be suitable for retail investors with a limited level of knowledge of financial markets and products who seek exposure to equities in Eurozone countries and who accept the risk of losing part of the invested capital. The UCI may not be offered or sold in the United States. For further information, please refer to section "11. Eligible subscribers and typical investor profile" in the prospectus.

**Recommendation: This UCI may not be suitable for investors planning to withdraw their investment within five years.**

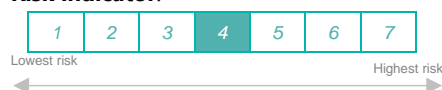
**Name of custodian:** CACEIS BANK

**Where/how to obtain information on the feeder UCI and the master UCI:**

All other practical information on this product, including the latest unit price, the prospectus, the latest annual and periodic reports, the composition of assets and the standards of LAZARD FRERES GESTION SAS with regard to the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to LAZARD FRERES GESTION SAS, 25, rue de Courcelles, 75008 Paris, France.

## WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

**Risk indicator:**



The risk indicator assumes that you keep the product for 5 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return.

Other sizeable risks not taken into account in the indicator:

Recommended holding period:

**5 years**

- Derivatives risk

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product as risk class 4 out of 7, which is a medium risk class. In other words, the potential losses linked to the future results of the product are at an average level and, if the situation were to deteriorate on the markets, it is possible that the ability of LAZARD FRERES GESTION SAS to pay you would be affected. As this product does not provide protection against market risks, you could lose all or part of your investment.

**Performance scenarios:**

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you will get from this product depends on future market performance. Future market developments are uncertain and cannot be accurately predicted.

The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product over the past 10 years. Markets could evolve very differently in the future.

Recommended holding period: 5 years Investment example: 10,000 €			
Scenarios		If you exit after 1 year	If you exit after 5 years
<i>Minimum</i>	<i>There is no guaranteed minimum return. You could lose all or part of your investment.</i>		
<b>Tensions</b>	<i>What you could get after deducting costs</i>	1 540 €	2 760 €
	<b>Average annual return</b>	-84,6%	-22,7%
<b>Unfavourable</b>	<i>What you could get after deducting costs</i>	7 510 €	2 760 €
	<b>Average annual return</b>	-24,9%	-22,7%
<b>Intermediary</b>	<i>What you could get after deducting costs</i>	10 060 €	11 720 €
	<b>Average annual return</b>	0,6%	3,2%
<b>Favourable</b>	<i>What you could get after deducting costs</i>	14 000 €	16 870 €
	<b>Average annual return</b>	40,0%	11,0%

The stress scenario shows what you could get in extreme market situations.

Adverse scenario: This type of scenario occurred for an investment between 14/03/2019 and 14/03/2020

Interim scenario: This type of scenario occurred for an investment between 14/03/2017 and 14/03/2018

Favourable scenario: This type of scenario occurred for an investment between 14/05/2020 and 14/05/2021

## WHAT HAPPENS IF LAZARD FRERES GESTION SAS IS UNABLE TO MAKE PAYMENTS?

The product is a co-ownership of financial instruments and deposits separate from the portfolio management company. In the event of default by the latter, the assets of the product held by the custodian will not be affected. In the event of default by the custodian, the risk of financial

loss to the product is mitigated by the legal segregation of the assets of the custodian from those of the product.

## WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

### Costs over time:

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed that:

- in the first year you would get back the amount you invested (annual return of 0.0%)
- for the remaining holding periods, the product evolves as indicated in the intermediate scenario
- €10,000 is invested

	If you exit after 1 year	If you exit after 5 years
Total costs	579 €	1 529 €
Impact of annual costs	5,9%	2,8% each year

(\* It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 6,0% before deduction of costs and 3,2% after deduction of costs.

### Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4,00% of the amount invested. This is the maximum amount you could be required to pay. The person selling you the product will inform you of the actual costs.	Up to 400 €
Exit costs	We do not charge exit costs.	0 €
Recurring costs incurred each year		
Management fees and other administrative and operating costs	1,68% of the value of your investment per year. This estimate is based on actual costs over the past year.	162 €
Transaction costs	0,17% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	17 €
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	0 €

## HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?

### Recommended holding period: 5 years

This product does not have a minimum holding period requirement. The recommended holding period (5 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

## HOW CAN I MAKE A COMPLAINT?

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By email: [lfj.juridique@lazard.fr](mailto:lfj.juridique@lazard.fr)

A description of the complaint handling process is available on our website at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

## OTHER RELEVANT INFORMATION

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR).

You can obtain more information on this product on the website of LAZARD FRERES GESTION SAS. A paper copy will be made available free of charge upon written request to LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France. You can also find information on the product's performance over the past years and performance scenario calculations at [https://www.lazardfreresgestion.fr/FR/Fiche-fonds\\_93.html?idFond=EUD](https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=EUD)

Where this product is used as a unit-linked vehicle for a life insurance or capitalisation contract, additional information about this contract, such as the costs of the contract, which are not included in the costs indicated in this document, the contact in the event of a claim and what happens in the event of default of the insurance company, are presented in the key information document of this contract which must be provided by your insurer or broker or any other insurance intermediary in accordance with their legal obligation.

If you disagree with a response to a complaint, you may choose to contact the AMF Ombudsman (Autorité des Marchés Financiers - 17 place de la Bourse, 75082 Paris Cedex 02), once you have exhausted all internal appeal procedures. The form for requesting mediation from the AMF and the mediation charter are available on the website <http://www.amf-france.org>.

In your UCI, there is a redemption cap ("Gates"). Please refer to point 15 of the prospectus.

# KEY INFORMATION DOCUMENT

## Lazard Actions Euro

# LAZARD

FRÈRES GESTION

### OBJECTIVE

*This document contains key information about the investment product. It is not a sales document. This information is required by law to help you understand the nature and potential risks, costs, gains and losses of this product and to help you compare it to other products.*

### PRODUCT

<b>Product name:</b>	Lazard Actions Euro - T shares
<b>ISIN code:</b>	FR0013305984
<b>PRIIPS Initiator:</b>	LAZARD FRERES GESTION SAS
<b>Website:</b>	www.lazardfreresgestion.fr
<b>Contact:</b>	Call +33 (0)1 44 13 01 79 for more information
<b>Competent authority:</b>	The French Financial Markets Authority (Autorité des Marchés Financiers- AMF) is responsible for supervising LAZARD FRERES GESTION SAS with regard to this key information document.
<b>Country of authorisation and approval:</b>	LAZARD FRERES GESTION SAS is approved in France under no. GP-04000068 and regulated by the AMF.
<b>Date of production of the key information document:</b>	18/08/2023

### WHAT DOES THIS PRODUCT CONSIST OF?

**Type:** Undertaking for Collective Investment in Transferable Securities (UCITS), Mutual Fund (FCP)

**Term:** The UCI's term is 99 years, commencing from January 19th, 2006, except in the event that the Fund is dissolved before the end of the term or extended pursuant to the regulations.

#### Objectives:

The Fund is a Feeder fund of the PD EUR share of the SICAV Lazard Equity SRI (hereinafter the "Master UCI"). Its investment objective is to obtain, over the recommended investment period, a performance net of fees higher than that of the following benchmark index: Euro Stoxx in euro terms, dividends or net interest reinvested, through an active policy of socially responsible investment based on financial, social, societal, environmental and governance criteria. The Fund may deliver a lower return than the Master UCI, due in particular to its own specific management fees.

The feeder Fund is invested in full in PD EUR shares of the Master UCI and on an ancillary basis in cash.

**Reminder of the investment objective of the Master UCI:** The SICAV will be 90% invested in and exposed to Eurozone equities. To support his investment policy, the manager has opted for a "best in class" positioning.

The UCI promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088, the so-called "SFDR". The management team relies on its own internal analysis of ESG (environmental, social and governance) criteria as well as on the services of our ESG partner.

The stock selection process consists of two distinct, simultaneous and necessary phases:

A. **The non-financial filter.** The SICAV is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. For a stock to be eligible for the SICAV's portfolio, it must meet three conditions.

**Condition 1: have a score at least equal to "=" in Human Resources**

The quality of general working conditions, fostering of employer-employee relations, job enhancement and skills training are the main factors examined.

**Condition 2: obtain a weighted average score of at least "="**

Lazard Frères Gestion requires each of the five areas of non-financial analysis to be weighted according to their importance:

- Human resources (40%), Environment (30%), Customer-supplier relations (10%), Human rights (10%), Community involvement (10%)

**Condition 3: obtain an internal governance score of more than 2 out of 5**

The methodology for covering issuers through ESG analysis is detailed in the prospectus. The analyst-managers ensure that an exclusion rate of 20% or more of the lowest-rated securities in the UCI's investment universe is maintained. For the sake of integrity and objectivity, the scores used to apply this exclusion rate are provided by an external rating agency.

B. **The financial filter.** Financial analysis focuses on three elements: profitability, growth and valuation.

- Economic profitability is the ability of a company to create value over the long-term. It is measured by the return on capital employed.
- Growth is the ability of a company to increase capital employed while maintaining a level of profitability at least equal to what it has been historically.
- Valuation is based on a multi-criteria approach (historical multiples, DCF, comparable multiples)

Further information on the investment strategy can be found in the UCI's prospectus.

The SICAV may hold up to 10% of its net assets in French or foreign UCITS and/or French or EU-based alternative investment funds (AIFs) that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (Code monétaire et financier), and/or foreign investment funds that meet the four criteria of Article R.214-13 of the French Monetary and Financial Code, provided these funds themselves invest less than 10% of their assets in other UCIs. All the UCIs may be managed by Lazard Frères Gestion SAS.

The SICAV may use, within a limit of 10% of its net assets, equity, equity index and currency futures, equity, equity index and currency options, equity and currency swaps and currency forwards, traded on regulated, organised and/or over-the-counter markets, to hedge the portfolio against equity and currency risk. Hedging will be discretionary.

Allocation of distributable income:

- Allocation of net income: Accumulation and/or Distribution and/or Retention
- Allocation of net realised capital gains: Accumulation and/or Distribution and/or Retention

Right of redemption: Orders are executed in accordance with the table below

Business day	Day of establishment of the NAV (D)	The business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt of orders and daily centralisation of subscription and redemption orders before 10:00 a.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

**Targeted retail investors:** This product may be suitable for retail investors with a limited level of knowledge of financial markets and products who seek exposure to equities in Eurozone countries and who accept the risk of losing part of the invested capital. The UCI may not be offered or sold in the United States. For further information, please refer to section "11. Eligible subscribers and typical investor profile" in the prospectus.

**Recommendation: This UCI may not be suitable for investors planning to withdraw their investment within five years.**

**Name of custodian:** CACEIS BANK

**Where/how to obtain information on the feeder UCI and the master UCI:**

All other practical information on this product, including the latest unit price, the prospectus, the latest annual and periodic reports, the composition of assets and the standards of LAZARD FRÈRES GESTION SAS with regard to the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to LAZARD FRÈRES GESTION SAS, 25, rue de Courcelles, 75008 Paris, France.

## WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

**Risk indicator:**



The risk indicator assumes that you keep the product for 5 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return.

Other sizeable risks not taken into account in the indicator:

Recommended holding period:

**5 years**

- Derivatives risk

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product as risk class 4 out of 7, which is a medium risk class. In other words, the potential losses linked to the future results of the product are at an average level and, if the situation were to deteriorate on the markets, it is possible that the ability of LAZARD FRÈRES GESTION SAS to pay you would be affected. As this product does not provide protection against market risks, you could lose all or part of your investment.

**Performance scenarios:**

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you will get from this product depends on future market performance. Future market developments are uncertain and cannot be accurately predicted.

The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product and of a benchmark index over the past 10 years. Markets could evolve very differently in the future.

Recommended holding period: 5 years			
Investment example: 10,000 €			
Scenarios		If you exit after 1 year	If you exit after 5 years
<i>Minimum</i>		<i>There is no guaranteed minimum return. You could lose all or part of your investment.</i>	
<b>Tensions</b>	<i>What you could get after deducting costs</i>	1 540 €	2 760 €
	<b>Average annual return</b>	-84,6%	-22,7%
<b>Unfavourable</b>	<i>What you could get after deducting costs</i>	7 670 €	2 760 €
	<b>Average annual return</b>	-23,3%	-22,7%
<b>Intermediary</b>	<i>What you could get after deducting costs</i>	10 130 €	12 600 €
	<b>Average annual return</b>	1,3%	4,7%
<b>Favourable</b>	<i>What you could get after deducting costs</i>	14 260 €	17 920 €
	<b>Average annual return</b>	42,6%	12,4%

The stress scenario shows what you could get in extreme market situations.

Adverse scenario: This type of scenario occurred for an investment between 14/03/2019 and 14/03/2020

Interim scenario: This type of scenario occurred for an investment between 14/12/2015 and 14/12/2016

Favourable scenario: This type of scenario occurred for an investment between 14/05/2020 and 14/05/2021

## WHAT HAPPENS IF LAZARD FRÈRES GESTION SAS IS UNABLE TO MAKE PAYMENTS?

The product is a co-ownership of financial instruments and deposits separate from the portfolio management company. In the event of default by the latter, the assets of the product held by the custodian will not be affected. In the event of default by the custodian, the risk of financial loss to the product is mitigated by the legal segregation of the assets of the custodian from those of the product.

## WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

### Costs over time:

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed that:

- in the first year you would get back the amount you invested (annual return of 0.0%)
- for the remaining holding periods, the product evolves as indicated in the intermediate scenario
- €10,000 is invested

	If you exit after 1 year	If you exit after 5 years
Total costs	582 €	1 638 €
Impact of annual costs	5,9%	2,9% each year

(\* It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 7,6% before deduction of costs and 4,7% after deduction of costs.

### Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4,00% of the amount invested. This is the maximum amount you could be required to pay. The person selling you the product will inform you of the actual costs.	Up to 400 €
Exit costs	We do not charge exit costs.	0 €
Recurring costs incurred each year		
Management fees and other administrative and operating costs	1,72% of the value of your investment per year. This estimate is based on actual costs over the past year.	165 €
Transaction costs	0,17% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	17 €
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	0 €

## HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?

### Recommended holding period: 5 years

This product does not have a minimum holding period requirement. The recommended holding period (5 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

## HOW CAN I MAKE A COMPLAINT?

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By email: [lfj.juridique@lazard.fr](mailto:lfj.juridique@lazard.fr)

A description of the complaint handling process is available on our website at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

## OTHER RELEVANT INFORMATION

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR).

You can obtain more information on this product on the website of LAZARD FRERES GESTION SAS. A paper copy will be made available free of charge upon written request to LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France. You can also find information on the product's performance over the past years and performance scenario calculations at [https://www.lazardfreresgestion.fr/FR/Fiche-fonds\\_93.html?idFond=EUT](https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=EUT)

Where this product is used as a unit-linked vehicle for a life insurance or capitalisation contract, additional information about this contract, such as the costs of the contract, which are not included in the costs indicated in this document, the contact in the event of a claim and what happens in the event of default of the insurance company, are presented in the key information document of this contract which must be provided by your insurer or broker or any other insurance intermediary in accordance with their legal obligation.

If you disagree with a response to a complaint, you may choose to contact the AMF Ombudsman (Autorité des Marchés Financiers - 17 place de la Bourse, 75082 Paris Cedex 02), once you have exhausted all internal appeal procedures. The form for requesting mediation from the AMF and the mediation charter are available on the website <http://www.amf-france.org>.

In your UCI, there is a redemption cap ("Gates"). Please refer to point 15 of the prospectus.

## 2. CHANGES AFFECTING THE UCI

The **LAZARD ACTIONS EURO** Fund's KIID (ISIN code: FR0010259945) was converted to the KID PRIIPS (*Key Information Document and Packaged Retail Investment and Insurance-based Products*) on January 1st, 2023, in accordance with the European regulations aimed at standardising pre-contractual information on financial products intended for retail investors.

The Chairman of the management company Lazard Frères Gestion SAS made the following decisions in relation to **LAZARD ACTIONS EURO** (ISIN code: FR0010259945) the implementation of the temporary redemption cap mechanism ("Gates").

- **Effective date: 18/08/2023.**

### 3. MANAGEMENT REPORT

#### PERFORMANCE

- The performance of the R share (FR0010679886) over the period was +27,63%.
- The performance of the IC share (FR0010259945) over the period was +27,76%.
- The performance of the ID share (FR0011710557) over the period was +27,76%.
- The performance of the T share (FR0013305984) over the period was +27,76%.

*Performances vary over time and past performance is no guarantee of the UCI's future results.*

**The performance of the benchmark over the period was +23,92%.**

#### ECONOMIC ENVIRONMENT

Despite central banks' efforts to curb activity and inflation, growth showed unexpected resilience in Western countries. US growth was robust, underpinned by household consumption. Growth in the Eurozone was modest, against a backdrop of deteriorating purchasing power and rapid transmission of the ECB's monetary tightening.

However, the economic impacts of the energy crisis were less severe than feared. The collapse of three US regional banks and the disaster takeover of Credit Suisse in March 2023 could also have had a greater impact. Thanks to lower energy prices and the easing of supply tensions, inflation fell sharply in the US and Europe. However, it remained well above central bank targets, fuelled by the services sector and the still tight labour market situation.

Against this backdrop, the Fed and the ECB continued to tighten their monetary policy. The Fed raised its key rate to 5,25%-5,50%, a 22-year high. The ECB raised the refinancing rate to 4,50% and the deposit rate to 4,00%, levels never before reached. In China, after a rebound following the lifting of health restrictions, growth lost momentum amid a slowdown in the real estate sector.

Against this backdrop, global equity markets rebounded strongly, making up some of the losses recorded in 2022. US and European interest rates alternated between rises and falls before soaring in the summer of 2023 to reach their highest levels for more than ten years.

##### **Economy**

In the United States, GDP growth accelerated to +2,4% year-on-year in Q2 2023. Job creation slowed to an average of +266 000 per month. The unemployment rate rose to 3,8%. Annual hourly wage growth slowed to +4,2%. The year-on-year increase in consumer prices slowed to +3,7% and +4,1% excluding energy and food.

The Fed raised its key rate by +2,25% to 5,25%-5,50%, in the following sequence: a +0,75% hike in November 2022, +0,50% in December 2022 and three consecutive +0,25% hikes in February, March and May 2023. The Fed took a first pause in June 2023, before a further 0,25% hike in July 2023 and a further pause in September 2023.

In terms of unconventional measures, in March 2023 the Fed announced the creation of a new liquidity access mechanism ("Bank Term Funding Program") in response to the collapse of Silvergate Bank, Silicon Valley Bank and Signature Bank.

In the U.S. midterm elections on November 8th, 2022, the Democrats retained their majority in the Senate and the Republicans won the House of Representatives.

In the Eurozone, GDP growth slowed to +0,5% year-on-year in Q2 2023, with contrasting trends between countries. GDP fell by -0,2% in Germany, while rising by +1,0% in France, +0,3% in Italy and +2,2% in Spain. PMI surveys improved until the spring of 2023 before deteriorating rapidly in the summer of 2023. The Eurozone unemployment rate fell to 6,4%. The year-on-year increase in consumer prices slowed to +4,3% and +4,5% excluding energy and food.



The ECB raised its key rates by +3,25%, in the following sequence: +0,75% in October 2022, three consecutive hikes of +0,50% between December 2022 and March 2023 and four consecutive hikes of +0,25% between May and September 2023. The deposit rate was raised from +0,75% to +4,00% and the refinancing rate from +1,25% to +4,50%.

In terms of unconventional measures, in December 2022 the ECB announced a reduction in the size of its APP portfolio from March 2023. In June 2023, the ECB announced that it would end reinvestments under this programme.

In Italy, the right-wing coalition secured a clear victory in the general elections on September 25th, 2022. Giorgia Meloni was elected prime minister on October 22nd, 2022.

In China, GDP growth accelerated to +6,3% year-on-year in Q2 2023. Activity benefited from the complete lifting of health restrictions in December 2022. The real estate sector continued to struggle. The urban unemployment rate fell to 5,2%. Consumer prices remained stable.

China's central bank cut its key rate by 0,25% to 2,50% and the reserve requirement ratio by 0,75% to 10,50%.

At the conclusion of the 20th CCP Congress in October 2022, Xi Jinping won a third term as General Secretary of the Party and head of the armed forces. Xi Jinping was formally re-elected President of the Republic during the annual session of the National People's Congress in March 2023. On this occasion, the government announced that it was aiming for growth of "around +5,0%" in 2023.

### **Markets**

The MSCI World All Country index of global equity markets rose by +18,7% year-on-year, wiping out around half of the decline in the first nine months of 2022. The Topix in yen rose by +26,6%, the Euro Stoxx in euros by +20,9%, the S&P 500 in dollars by +19,6% and the MSCI emerging equities index in dollars by +8,8%.

The unexpected resilience of the global economy was a major support factor for equity markets between the fourth quarter of 2022 and the start of the third quarter of 2023.

The effects of the Eurozone energy crisis were less significant than feared, the Chinese economy reopened faster than expected and US inflation slowed, while the unemployment rate remained low, fuelling the idea of a soft landing for the US economy.

Equity markets also benefited from the sharp rise in tech mega-caps in the United States, linked to the artificial intelligence craze.

The uptrend in equity markets reversed from August 2023 onwards, against a backdrop of increasing economic uncertainty in China, poor economic data in Europe and soaring long-term interest rates.

Bond markets alternated between rises and falls between the fourth quarter of 2022 and the start of the third quarter of 2023, with investors switching from one monetary policy scenario to another.

US and European interest rates soared during the summer of 2023 to reach their highest levels for more than ten years, as the resilience of the US economy and the Fed's more restrictive message led investors to anticipate permanently higher key rates. The US 10-year yield rose from 3,83% to 4,57% and the German 10-year yield from 2,11% to 2,84%.

According to ICE Bank of America indices, credit spreads for European corporate issuers fell from 210 to 141 basis points in the Investment Grade segment and from 625 to 445 basis points in the High Yield segment.

The euro appreciated by +7,9% against the dollar and by +11,3% against the yen. It stabilised against the Swiss franc and depreciated by -1,2% against sterling. According to the JPMorgan index, emerging currencies depreciated by an average of -2,9% against the dollar,

The S&P GSCI commodity price index was virtually stable over the year. The price of a barrel of Brent crude oil rose from \$86 to \$92, with a peak of \$100 in early November 2022 and a low point of \$72 in mid-March 2023.

## MANAGEMENT POLICY

Lazard Action Euro is a feeder fund of Lazard Equity SRI.

Accordingly, please find below the management policy of the Master Lazard Equity SRI fund.

*In the last quarter of 2022, Lazard Equity SRI gained 14,79% versus a rise of 12,67% for the Euro Stoxx net dividends reinvested (in euro).*

While August and September were marked by accelerating inflation leading to a sharp rise in long rates, as well as by the continuing energy crisis in Europe and the harmful zero-Covid policy in China, October saw some appeasement on all these fronts. Buoyed by what were generally good earnings releases, often accompanied by upward revisions despite the uncertainties, the market rose sharply over the month: +7,98%. The fund (C share) outperformed very significantly with a rise of 9,67% over the period. Although it was hurt by a slight underexposure to the energy sector, it benefited from good stock picks in basic resources, technology, media, consumer goods, automotive and energy. The absence of Airbus, but also Adidas, Deutsche Boerse, Merck KgAA, Dassault Systèmes and ASM International were the main negative contributors to October's performance, while the best contributions came from Imerys, Alstom, Publicis, SAP, Essilor, Carrefour, Société Générale and the absence of Prosus, Pernod Ricard and Philips.

The very strong rebound in equity markets in October continued and intensified in November, under the effect of lower oil prices and commodity prices in general, the easing of long-term interest rates, and quarterly earnings releases, which were satisfactory on the whole and sometimes accompanied by upward revisions. Against this backdrop, the Euro Stoxx gained 8,09% and the fund (C unit) underperformed very slightly at +7,89%. The portfolio was hurt by its stock picks in basic resources and automotive and its underexposure to retail, but benefited from its picks in industrial goods. Imerys, after its strong rebound in the previous weeks, underperformed, as did Sanofi, Bureau Veritas, Deutsche Telekom, Rexel and UCB. Conversely, Alstom, Kone, Adidas, Intesa San Paolo, BNP Paribas and Allianz rebounded and made a positive contribution to performance in November.

The enthusiasm in the equity markets in October and November was followed by a certain nervousness in December under the influence of the European Central Bank's fairly firm stance, which led, among other things, to a spectacular rise in interest rates in Europe, with the 10-year Bund yield rising from 1,81% to 2,56% in a single month, reaching its highest level in more than ten years. The dollar also continued to decline, dropping from \$1,03/€ to \$1,07/€. The fall in energy prices in Europe failed to curb the fall in equity markets; the Eurostoxx lost 3,47% over the month. The fund (C unit) outperformed slightly at -2,99%. It was negatively affected by its underexposure to the utilities and agri-food sectors but benefited from a good allocation to insurance and a positive stock-picking effect in healthcare and construction materials. Alstom, Deutsche Boerse, SAP and Akzo Nobel underperformed, while Saint-Gobain, KBC, Merck KgAa, Sanofi and Rexel made a positive contribution.

*In the first quarter of 2023, Lazard Equity SRI gained 11,56% versus a rise of 11,83% for the Euro Stoxx net dividends reinvested (in euro).*

Turning the cautious consensus on its head, the equity markets got off to a flying start in 2023. As interest rates eased sharply from their December high, the dollar continued to fall, as did energy prices, particularly in Europe, the Eurostoxx rose by 9,31%. The fund (C share) outperformed slightly at +9,75%. It was nevertheless hurt by a negative selection and allocation in healthcare, which saw some profit-taking after its good relative performance in 2022. Sanofi, EssilorLuxottica and Deutsche Boerse made negative contributions, as did UCB and Kone. On the other hand, the portfolio benefited from its stock picks in chemicals, personal products and basic resources, as well as from the absence of utilities and agri-food. But the best contributors in January came from various sectors. These include BNP Paribas, Saint-Gobain, Aperam, Intesa San Paolo, Alstom and ASM International.

As the earnings release season was still fairly positive, equity markets continued the spectacular rise of the beginning of the year in February, this despite the very strong pressure on interest rates that followed an increase in inflationary pressures on both sides of the Atlantic. The T-Bond yield rose from 3,50% to 3,90% in February and the Bund yield rose from 2,27% to 2,65%. Despite this, the Euro Stoxx was up 1,92%, helped among other things by the (relative) easing of tensions over gas and electricity prices in Europe. The fund outperformed with a rise of 2,29%. It was negatively affected by its selection in banking, automotive and travel and leisure, but benefited from good stock picks in building materials, media and basic resources. Merck, Adidas and Sodexo weighed on performance in February, but Publicis, Imerys, Rexel, Carrefour, Intesa and UCB outperformed thanks to their good results, as did Orange on the announcement of its new strategic plan.

While March had started on the upbeat trend of early 2023, the market's rise was abruptly interrupted from the 8th when Credit Suisse's main shareholder indicated that it did not intend to bail out the bank, leading to a panic over the stock which spread to the entire banking sector, ending on the 13th with the absorption of Credit Suisse by UBS. The damage was done, however, and despite the strong rebound of European equities at the end of the month, cyclical sectors and financial stocks were unable to return to their pre-crisis levels, while a sharp easing in interest rates was induced by concerns about the indirect impacts of the financial crisis on the economy in general. Against this backdrop, the fund (C share) underperformed its benchmark index, falling by 0,63% in a market that rose by 0,38%. Overallocation to insurance as well as the absence of utilities proved costly. The stock-picking effect in banks, construction materials and industrial goods was also detrimental. The absence of real estate, the stock picks in chemicals and exposure to healthcare made a positive contribution. Société Générale, BNP Paribas, KBC, Alstom and Intesa SanPaolo made the biggest negative contributions over the month, while Sanofi, Deutsche Boerse, L'Oréal and the absence of ING, Santander, Nordea and Deutsche Bank were positive factors.

*In the second quarter of 2023, Lazard Equity SRI gained 3,15% versus a rise of 2,66% for the Euro Stoxx net dividends reinvested (in euro).*

April was a month of uncertainty. While interest rates eased in the first ten days, accompanying what seemed to be the first signs of a US economic slowdown, they finally rose at the end of the period following reassuring employment figures. After rebounding at the beginning of the month thanks to OPEC, oil prices went back on the decline and Brent ended the month at a low of \$72/bbl, as did European gas, which fell to its lowest level of the year at €35/MWh, both movements no doubt reflecting the fact that the Chinese recovery is less strong than expected. In this uncertain environment, the equity market still managed to gain 1,44%, driven by growth stocks. The fund (C unit) outperformed slightly with a rise of 1,87%. It was mainly affected by an allocation effect in basic resources and utilities, but this was offset by a positive stock-picking effect in construction, chemicals, telecoms and banks. STMicroelectronics, Alstom, Imerys and Merck weighed on performance, while the absence of Infineon, Vinci, Eiffage, Allianz, EssilorLuxottica and Kone made a positive contribution.

In May, the market consolidated after its April high. The continued fall in oil and gas prices bodes well for the earnings of Western companies and potentially for the strength of consumer spending, but it is also a sign of probable weakness in the Chinese economy. Interest rates varied little over the period. Against the backdrop of a fall in the Euro Stoxx, growth stocks, technology stocks in particular, are making a comeback. The index fell by 2,51% and the fund (PC share) outperformed with a smaller decline of 1,74%. It was hurt by its underexposure to industrial goods and overexposure to basic resources and chemicals. On the other hand, it benefited from a good allocation effect in consumer goods and agri-food. Individually, Bureau Veritas, Allianz, Carrefour, Kone and Akzo were negative performers. Alstom made a positive contribution following its good earnings release, as did Dassault Systèmes, Société Générale, BMW, Sodexo and ASM I.

In June, the market swung between fears of a resurgence of inflation and enthusiasm about the absence of a recession. In the end, it was the upside that prevailed in a stable interest rate environment, The Euro Stoxx gained 3,81%. The fund (PC unit) underperformed slightly at +3,05%, despite its underexposure to agri-food and energy. It was also hurt by a negative stock-picking effect in construction and technology. On the other hand, it was underpinned by good stock picks in chemicals and financial services. Over the month, Aperam was affected by concerns about demand in Europe. Merck KGaA, Eiffage, Sampo and Sodexo also proved costly. Deutsche Telekom has also been affected by concerns about competition from Amazon in the United States. Conversely, Intesa SanPaolo, Société Générale, Saint-Gobain and Imerys made positive contributions. Lastly, the fund benefited from the absence of Bayer and Siemens Energy.

*In the third quarter of 2023, Lazard Equity SRI declined by 3,38% versus a decline of 4,19% for the Euro Stoxx net dividends reinvested (in euro).*

July was marked by further rate hikes of 25bp each by the ECB and the Fed. Core inflation excluding housing is easing in the United States, however. On the other hand, it was still up 5,5% in Europe and even by 6,9% in the United Kingdom. Brent crude also rose significantly, by almost 15% over the month. But in the end it was the scenario of a soft landing for global growth that was favoured by the markets, with the Euro Stoxx rising by 2,05%. Against this backdrop, our fund (PC unit) underperformed by 86bp, gaining only 1,19%. Although our large underexposure to the utilities and agri-food sectors paid off, our stock picks in chemicals, technology, healthcare and basic resources proved costly. Imerys, which was hurt by a disappointing half-year earnings release marked by a significant fall in volumes, Sodexo, Orange and Kone were the main detractors from performance. Intesa Sanpaolo, Michelin, Saint-Gobain, which reported record results, and KBC all made positive contributions.

In August, starting from its 2023 high, the market began to decline, with a certain amount of thematic rotation. Technology in particular was the subject of sell-offs, notably following Adyen's disappointing results, which led to a spectacular fall in the share price on the day of publication. The dollar, which had bottomed out against the euro in July, edged up, while US interest rates rose more than European rates, given the resilience of the US economy compared with the European economy, which is beginning to weaken. The fund (PC unit) cushioned the blow and fell by 2,03%, significantly less than the market, compared with a 3,10% fall for the benchmark index. The portfolio was hurt by its selection in the banking sector and its underexposure to the energy and utilities sectors. On the other hand, it benefited from a good allocation to insurance and industrial goods. On an individual stock basis, the main detractors from August's performance were KBC, Alstom, Koné, BMW, Deutsche Boerse and Intesa. The main positive contributors in August were Société Générale, Sodexo, Munich Re, Merck KGaA, Allianz and Air Liquide, as well as the absence of ASML.

In September, equity markets finally buckled under the combined effect of the ongoing rise in interest rates and increasingly cautious messages from companies, particularly in the electronics and construction sectors, partly linked to the situation in China. The firm announcements by the Fed and the ECB have pushed the US 10-year yield up from 4,1% to 4,6% and the Bund 10-year yield from 2,5% to 2,8%. The dollar continued to climb, rising from 1,08 to 1,05 against the euro. Against this backdrop, the Euro Stoxx fell by 3,12% and the fund (PC share) significantly outperformed, with a fall of 2,54%. It was also hurt by negative stock picks in banks and basic resources and too low exposure to energy, as well as declines in Société Générale, Alstom, Imerys, Akzo Nobel, Kerry Group and Carrefour. But this was more than offset by insurance, consumer goods and telecoms, among others, as well as by the strong outperformance of Orange, Sanofi, Munich Re, BNP Paribas, Deutsche Telekom, Aperam, Vinci and Deutsche Boerse.

#### **Main changes in the portfolio during the year**

<b>Securities</b>	<b>Changes ("accounting currency")</b>	
	<b>Purchases</b>	<b>Sales</b>
LAZARD EQUITY SRI D	7 070 900,92	45 145 277,40

## 4. REGULATORY INFORMATION

### **TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND THE REUSE OF FINANCIAL INSTRUMENTS – SFTR – IN THE ACCOUNTING CURRENCY OF THE UCI (€)**

The UCI carried out no transactions during the year in the context of the SFTR.

### **PROCEDURE FOR SELECTING AND ASSESSING INTERMEDIARIES AND COUNTERPARTIES**

The brokers used by the management company are selected on the basis of various evaluation criteria, covering research, quality of order execution and processing and the range of services offered. The management company's "Broker Committee" validates any updates to the list of authorised brokers. Each investment division (fixed income and equities) reports to the Broker Committee at least twice a year on the evaluation of the services provided by the various brokers and the breakdown of the volume of transactions handled.

The information can be consulted on the management company's website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### **BROKERAGE FEES**

Information about brokerage fees is available on the website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### **EXERCISING VOTING RIGHTS**

The scope and procedures for Lazard Frères Gestion SAS' exercise of the voting rights attached to the securities held in the UCIs managed by it are set out in the guidelines it has drawn up on its voting policy. This document can be consulted on the management company's website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### **DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA**

Lazard Frères Gestion firmly believes that the integration of environmental, social and governance (ESG) criteria in the management of assets provides an additional guarantee in terms of a durable economic performance.

The long-term performance of investments is not limited solely to the consideration of the financial strategy, but must also take into account the company's interactions with its social, economic and financial environment.

The incorporation of ESG criteria therefore is a natural component of our investment process.

Our overall approach can be summarised as follows:

- ✓ Rigorous financial analysis of the company covering the quality of assets, financial soundness, projected cash flows and their reinvestment by the company, the strength of economic profits, profit durability, and quality of management.
  
- ✓ This durability is strengthened by incorporating non-financial criteria:
  - Social criteria: through the development of human capital.
  - Environmental criteria: through the prevention of all environmental risks.
  - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

The intensity and methods by which we incorporate ESG criteria may vary depending on the asset class and investment process involved, but the common objective is to ensure better apprehension of ESG risks that are likely to have a strong impact on the value of a company or sovereign asset.

Information on ESG criteria is available on the website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

## SFDR AND TAXONOMY

### Article 8

Pursuant to Article 50 of the SFDR Level 2 Delegated Regulation, information on the attainment of the environmental or social characteristics promoted by the financial product is available in the appendix to this report.

## USE OF FINANCIAL INSTRUMENTS MANAGED BY THE MANAGEMENT COMPANY OR AN AFFILIATED COMPANY

The table of financial instruments managed by the management company or an affiliated company can be found in the notes to the UCI's annual financial statements.

## METHOD USED TO CALCULATE GLOBAL RISK

The Fund uses the commitment method to calculate its global risk on financial contracts.

## PEA employee savings fund

Pursuant to the provisions of Article 91, quater L Appendix 2 of the French General Tax Code, a minimum of 75% of the Fund/SICAV is permanently invested in the securities and rights mentioned in points a, b and c, section 1°, I of Article L. 221-31 of the French Monetary and Financial Code.

Proportion actually invested during the financial year: 99,97%.

## MANAGEMENT FEES

The Fund is a feeder fund for the PD EUR shares of the Lazard Equity SRI SICAV.

Shares	Total fees actually charged during the year	Direct management fees	Indirect management fees*
LAZARD ACTIONS EURO IC shares (FR0010259945)	1,70	-0,05	1,75
LAZARD ACTIONS EURO "R" shares (FR0010679886)	1,80	0,05	1,75
LAZARD ACTIONS EURO T shares (FR0013305984)	1,70	-0,05	1,75
LAZARD ACTIONS EURO ID shares (FR0011710557)	1,70	-0,05	1,75

\* Representing the ongoing costs of the master over the same period

The annual report of the master is appended to this report.

## INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE

Pursuant to the provisions of Article 41 sexdecies H of the French General Tax Code, income on distributing shares is subject to an allowance of 40%.

## REMUNERATION

The fixed and variable remuneration paid during the financial year ended on December 31st, 2022 by the management company to its personnel, in proportion to their investment in the management of the UCITS, excluding the management of the AIFs and discretionary mandates, can be obtained on request by post from the legal department of Lazard Frères Gestion, and are included in the company's annual report.

The total variable remuneration is set by the Lazard Group based on different criteria, including the Lazard Group's financial performance over the past year, taking into account the results of Lazard Frères Gestion.

The total amount of variable compensation should not hinder the ability of the Lazard Group and Lazard Frères Gestion to strengthen their capital base as needed.

The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components.

All risks and conflicts of interest are incorporated into the calculation of the variable remuneration.

It is then individualised and determined partly based on the performance of each identified member of staff.

The remuneration policy is reviewed annually.

Each year, Lazard Frères Gestion's Remuneration Policy Compliance Monitoring Committee, which also has two members independent from the management company, is responsible for issuing an opinion on the proper application of the remuneration policy and its compliance with applicable regulations.

**Population at 31/12/2022: Fixed-term and permanent contracts of LFG, LFG Luxembourg and LFG Belgique  
(therefore excluding interns and apprentices and excluding LFG Courtague)**

<b>Headcount at 31-12-2022 LFG - LFG Belgique - LFG Luxembourg</b>	<b>Fixed annual remuneration 2022 in €</b>	<b>Variable remuneration for 2022 (cash paid in 2023 and deferred compensation allocated in 2023) in €</b>
205	20 102 615	29 964 115

**“Identified employees”**

<b>Category</b>	<b>Number of employees</b>	<b>Aggregate fixed and variable remuneration in 2022 (annual salaries and cash and deferred bonuses)</b>
Senior management	3	5 848 796
Other	61	28 469 324
<b>Total</b>	<b>64</b>	<b>34 318 120</b>

*Note: the amounts are stated excluding charges*

**OTHER INFORMATION**

The UCI's full prospectus and the most recent annual and interim reports will be sent out within one week of request in writing by shareholders to:

LAZARD FRERES GESTION SAS  
25, Rue de Courcelles – 75008 Paris, France

[www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

## 5. CERTIFICATION BY THE STATUTORY AUDITOR



## LAZARD ACTIONS EURO

French open-end investment fund  
(*Fonds Commun de Placement* – FCP)

Management company:  
Lazard Frères Gestion SAS

25, Rue de Courcelles  
75008 Paris, France

### Statutory auditor's report on the annual financial statements

Financial year ended September 29th, 2023

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To the shareholders of LAZARD ACTIONS EURO

#### Opinion

In accordance with the terms of our appointment by the management company, we conducted our audit of the accompanying annual financial statements of the Undertaking for Collective Investment LAZARD ACTIONS EURO, as a French open-end investment fund (*fonds commun de placement - FCP*), for the financial year ended September 29th, 2023.

We certify that the annual financial statements provide a true and fair view of the results of operations for the financial year under review and of the financial position and assets and liabilities of the Fund at the end of said financial year, in accordance with the accounting rules and principles generally accepted in France.

#### Opinion on the annual financial statements

##### Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

Our responsibilities under these standards are set out in the section entitled "Statutory auditor's responsibilities concerning the audit of the financial statements" in this report.

## **Independence**

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from October 1st, 2022 to the date of issue of our report.

## **Basis of our opinions**

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the fact that the assessments that, in our professional judgement, were the most significant for the audit of the annual financial statements for the year concerned the appropriateness of the accounting principles applied, the reasonableness of the significant estimates used and the overall presentation of the financial statements.

The assessments we have made are part of our audit of the annual financial statements as a whole and the opinion expressed above. We express no opinion on the elements of the annual financial statements taken in isolation.

## **Specific verifications**

We have also performed, in accordance with applicable professional standards in France, the specific verifications required by the laws and regulations.

We have no matters to report regarding the true and fair presentation of the information provided in the management report prepared by the management company, or its consistency with the annual financial statements.

## **Responsibilities of the management company concerning the annual financial statements**

It is the management company's role to draw up annual financial statements that give a fair and true picture in accordance with French accounting rules and principles and to implement the necessary internal control to be able to provide reasonable assurance that they are free from material misstatement, whether due to fraud or error.

As part of the preparation of the annual financial statements, the management company is responsible for assessing the Fund's capacity to continue operating as a going concern, to present in its financial statements, where necessary, information concerning business continuity, and to apply the accounting conventions of a going concern, unless it is planned to liquidate the Fund or terminate its activity.

The management company has prepared the annual financial statements.

## **Statutory auditor's responsibilities concerning the audit of the annual financial statements**

Our role is to prepare a report on the annual financial statements and to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatements. Reasonable assurance means a high but not absolute level of assurance that an audit performed in accordance with professional standards is free of material misstatement.

Anomalies may stem from fraud or errors and are considered material when it can reasonably be expected that, taken individually or together, they could influence the economic decisions of users of the financial statements.

As stipulated in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our audit assignment does not consist in guaranteeing the viability or quality of the management of the FCP.

In the context of an audit performed in accordance with professional standards applicable in France, the statutory auditor must exercise its judgement throughout the course of the audit. Moreover:

- It identifies and assess the risks that the annual financial statements may contain material misstatements, whether from fraud or error, defines and implements audit procedures to resolve these risks, and collects all elements deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than that resulting from an error because fraud may involve collusion, falsification, deliberate omissions, false statements or by-passing of internal controls;
- it takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the efficiency of the internal control;
- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management company, and the related information provided in the annual financial statements;
- it assesses the appropriateness of the management company's application of the accounting policy for a going concern and, based on the information collected, whether there is a significant uncertainty linked to events or circumstances that is likely to call into question the Fund's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the accounts;

- it assesses the overall presentation of the annual financial statements and whether they provide a true picture of the underlying operations and events.

Paris La Défense, December 18th, 2023

The statutory auditor  
Deloitte & Associés



[signature]

Olivier GALIENNE

## 6. ANNUAL FINANCIAL STATEMENTS

### BALANCE SHEET AS Of 29/09/2023 in euros

#### ASSETS

	29/09/2023	30/09/2022
<b>FINANCIAL INSTRUMENTS</b>	<b>76 313 115,97</b>	<b>92 580 865,55</b>
<b>MASTER FUND</b>	<b>76 313 115,97</b>	<b>92 580 865,55</b>
<b>Forward financial instruments</b>		
Transactions on a regulated or equivalent market		
Other transactions		
<b>RECEIVABLES</b>	<b>11 129,83</b>	<b>22 859,27</b>
Currency forward exchange transactions		
Other	11 129,83	22 859,27
<b>FINANCIAL ACCOUNTS</b>	<b>22 048,52</b>	<b>28 288,72</b>
Cash and cash equivalents	22 048,52	28 288,72
<b>TOTAL ASSETS</b>	<b>76 346 294,32</b>	<b>92 632 013,54</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	29/09/2023	30/09/2022
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	72 086 208,65	71 857 431,60
Undistributed net capital gains and losses recognised in previous years (a)	1 677 014,11	1 277 301,07
Retained earnings (a)	361,84	1 545,69
Net capital gains and losses for the year (a, b)	1 140 736,13	18 199 482,52
Net income for the year (a, b)	1 428 446,41	1 273 814,89
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>76 332 767,14</b>	<b>92 609 575,77</b>
<i>* Sum representing the net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
<b>LIABILITIES</b>	<b>13 527,18</b>	<b>22 437,77</b>
Currency forward exchange transactions		
Other	13 527,18	22 437,77
<b>FINANCIAL ACCOUNTS</b>		
Bank overdrafts		
Borrowings		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>76 346 294,32</b>	<b>92 632 013,54</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year

**OFF-BALANCE SHEET ITEMS AS AT 29/09/2023 *in euros***

	29/09/2023	30/09/2022
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

**INCOME STATEMENT AT 29/09/2023 in euros**

	29/09/2023	30/09/2022
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	423,24	40,67
Income from equities and similar securities	1 854 991,78	1 306 726,22
Income from bonds and similar securities		
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
<b>TOTAL (1)</b>	<b>1 855 415,02</b>	<b>1 306 766,89</b>
<b>Expenses related to financial transactions</b>		
Expenses related to temporary purchases and sales of securities		
Expenses related to forward financial instruments		
Expenses related to financial liabilities		953,68
Other financial charges		
<b>TOTAL (2)</b>		<b>953,68</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>1 855 415,02</b>	<b>1 305 813,21</b>
Other income (3)		
Management fees and depreciation and amortisation (4)	-40 225,23	-6 507,08
<b>NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>1 895 640,25</b>	<b>1 312 320,29</b>
Income adjustment for the financial year (5)	-467 193,84	-38 505,40
Interim dividends paid on net income for the financial year (6)		
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>1 428 446,41</b>	<b>1 273 814,89</b>



### 1. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01, as amended, of the French accounting standards body (Autorité des Normes Comptables - ANC).

The general accounting principles apply:

- true and fair view, comparability, business continuity,
- regularity, sincerity,
- prudence,
- consistency of accounting methods from one financial year to the next.

Income from fixed-income securities is recorded on the basis of accrued interest.

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

#### Asset valuation rules

Financial instruments and securities traded on a regulated market are valued at their market price.

- **Shares and similar securities** are valued on the basis of the last known price on their main market. If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

- **Fixed-income securities:**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)<sup>®</sup> derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

- **Bonds and similar instruments** are valued on the basis of the average of the closing prices gathered from several contributors.

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading value for which the management company is responsible. These estimates and their supporting documentation will be provided to the statutory auditor during audits.

However, the following instruments are valued using the following specific methods:

- **Negotiable debt securities:**

Negotiable debt securities are marked to market based on either Bloomberg prices (BVAL and/or BGN)<sup>®</sup> derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

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

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

- **Temporary purchases and sales of securities**

- Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (€STR, one- or two-week interbank rates, one- to 12-month Euribor) corresponding to the term of the contract.
- Securities sold under repurchase agreements continue to be valued at their market price. Liabilities on securities sold under repurchase agreements are calculated using the same method as that used for securities purchased under repurchase agreements.

- **Futures and options**

- Futures and options are valued on the basis of intraday trading prices the timing of which is based on that of the valuation of the underlying assets.
- Positions taken on the futures or options markets and over the counter are valued at their market price or at the value of the equivalent underlying asset.

## **I.2. Financial instruments and securities not traded on a regulated market**

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

## **I.3. Valuation methods for off-balance sheet commitments**

- Off-balance sheet transactions are valued at the commitment value.
- The commitment value for futures contracts is equal to the price (in the UCI's currency) multiplied by the number of contracts multiplied by the face value.
- The commitment value for options is equal to the price of the underlying security (in the UCI's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.
- The commitment value for swaps is equal to the face value of the contract (in the UCI's currency).

## **Management fees**

Management fees are calculated on each valuation day.

The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

$$\frac{\text{Gross assets} \times \text{operating and management fees rate} \times \text{no. of days between the calculated NAV and the previous NAV}}{365 \text{ (or 366 in a leap year)}}$$

This amount is then recorded in the Fund's income statement and paid in full to the management company.

The management company pays the Fund's operating fees including for:

financial management;

administration and accounting;

custody services;

other operating fees:

statutory auditors' fees;

legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

The fees break down as follows, as set out in the regulations:

Fees charged to the UCI	Basis	Units	Rate (Maximum incl. taxes)	
Financial management fees	Net assets	R	0,05%	
		IC	0,05%	
		ID	0,05%	
		T	0,05%	
Operating and other service fees	Net assets	Applied to all units	0,035%	
Indirect charges (management fees and expenses)	Net assets	Applied to all units	1,115%	
Turnover commission (0 to 100% received by the management company and 0 to 100% received by the custodian)	Maximum charge on each transaction	Applied to all units	Futures and other transactions	From €0 to €450 per batch/contract
Performance fees	Net assets	R, IC, ID, T	None	

#### **Allocation of distributable income**

##### ***Definition of distributable income:***

Distributable income consists of:

##### ***Net income:***

net income plus retained earnings, plus or minus the balance of the revenue adjustment account.

Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, remuneration and all income generated by the securities that make up the UCI's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

##### ***Capital gains and losses:***

Realised capital gains, net of expenses, less realised capital losses, net of expenses, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

**Allocation of distributable income:**

<b><i>unit(s)</i></b>	<b><i>Allocation of net income</i></b>	<b><i>Allocation of net realised capital gains or losses</i></b>
LAZARD ACTIONS EURO IC shares	Accumulation	Accumulation
LAZARD ACTIONS EURO ID shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the management company
LAZARD ACTIONS EURO R shares	Accumulation and/or Distribution and/or Retention as decided by the management company	Accumulation and/or Distribution and/or Retention as decided by the management company
LAZARD ACTIONS EURO T shares	Accumulation and/or Distribution and/or Retention as decided by the management company	Accumulation and/or Distribution and/or Retention as decided by the management company

## 2. CHANGE IN NET ASSETS AT 29/09/2023 in euros

	29/09/2023	30/09/2022
<b>NET ASSETS AT START OF YEAR</b>	<b>92 609 575,77</b>	<b>161 757 456,89</b>
Subscriptions (including subscription fees retained by the Fund)	15 420 685,29	32 350 426,14
Redemptions (net of redemption fees retained by the Fund)	-55 242 220,51	-88 356 965,73
Realised capital gains on deposits and financial instruments	1 861 622,72	35 644 225,72
Realised capital losses on deposits and financial instruments	-759 109,67	-8 832 049,76
Realised capital gains on forward financial instruments		
Realised capital losses on forward financial instruments		
Transaction charges		-6 778,58
Exchange rate differences		16 675,71
Changes in valuation difference of deposits and financial instruments	20 704 113,85	-40 874 948,01
<i>Valuation difference for financial year N</i>	4 658 277,91	-16 045 835,94
<i>Valuation difference for financial year N-1</i>	16 045 835,94	-24 829 112,07
Changes in valuation difference of forward financial instruments		
<i>Valuation difference for financial year N</i>		
<i>Valuation difference for financial year N-1</i>		
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year	-157 540,56	-400 786,90
Net profit/loss for the financial year prior to income adjustment	1 895 640,25	1 312 320,29
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items		
<b>NET ASSETS AT END OF YEAR</b>	<b>76 332 767,14</b>	<b>92 609 575,77</b>

**3. ADDITIONAL INFORMATION**

**3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS**

	<b>Amount</b>	<b>%</b>
<b>OFF-BALANCE SHEET</b>		
<b>HEDGING TRANSACTIONS</b>		
<b>TOTAL HEDGING TRANSACTIONS</b>		
<b>OTHER TRANSACTIONS</b>		
<b>TOTAL OTHER TRANSACTIONS</b>		

**3.2. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE**

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>OFF-BALANCE SHEET</b>								
Hedging transactions								
Other transactions								

**3.3. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY (\*)**

	< 3 months	%	]3 months-1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>OFF-BALANCE SHEET</b>										
Hedging transactions										
Other transactions										

(\*) Forward interest rate positions are presented according to the maturity of the underlying.

**3.4. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY (EXCLUDING EUR)**

	Currency 1		Currency 2		Currency 3		Currency N OTHER	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
Master UCI								
Receivables								
Financial accounts								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Liabilities								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions								
Other transactions								

**3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE**

	Debit/credit item	29/09/2023
<b>RECEIVABLES</b>		
	Subscription receivables	1 663,96
	Other receivables	9 465,87
<b>TOTAL RECEIVABLES</b>		<b>11 129,83</b>
<b>LIABILITIES</b>		
	Deferred settlement purchase	1 663,75
	Fixed management fees	11 863,43
<b>TOTAL LIABILITIES</b>		<b>13 527,18</b>
<b>TOTAL LIABILITIES AND RECEIVABLES</b>		<b>-2 397,35</b>



### 3.6. SHAREHOLDERS' EQUITY

#### 3.6.1. Number of securities issued or redeemed

	In units	In amounts
<b>LAZARD ACTIONS EURO IC shares</b>		
Units subscribed during the financial year	14 406,488	13 243 186,99
Units redeemed during the financial year	-35 114,027	-32 338 835,12
Net balance of subscriptions/redemptions	-20 707,539	-19 095 648,13
Number of outstanding units at end of financial year	73 419,255	
<b>LAZARD ACTIONS EURO ID shares</b>		
Units subscribed during the financial year	51,000	8 095,72
Units redeemed during the financial year	-136 410,452	-20 102 777,97
Net balance of subscriptions/redemptions	-136 359,452	-20 094 682,25
Number of outstanding units at end of financial year	39 927,001	
<b>LAZARD ACTIONS EURO R shares</b>		
Units subscribed during the financial year	1 480,970	2 169 402,58
Units redeemed during the financial year	-1 857,486	-2 800 607,42
Net balance of subscriptions/redemptions	-376,516	-631 204,84
Number of outstanding units at end of financial year	1 305,792	
<b>LAZARD ACTIONS EURO T shares</b>		
Units subscribed during the financial year		
Units redeemed during the financial year		
Net balance of subscriptions/redemptions		
Number of outstanding units at end of financial year	97,553	

#### 3.6.2. Subscription and/or redemption fees

	In amounts
<b>LAZARD ACTIONS EURO IC shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD ACTIONS EURO ID shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD ACTIONS EURO R shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD ACTIONS EURO T shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

### 3.7. MANAGEMENT FEES

	29/09/2023
<b>LAZARD ACTIONS EURO IC shares</b>	
Guarantee fees	
Fixed management fees	-36 438,43
Percentage of fixed management fees	-0,05
Retrocessions of management fees	
<b>LAZARD ACTIONS EURO ID shares</b>	
Guarantee fees	
Fixed management fees	-5 160,62
Percentage of fixed management fees	-0,05
Retrocessions of management fees	
<b>LAZARD ACTIONS EURO R shares</b>	
Guarantee fees	
Fixed management fees	1 404,30
Percentage of fixed management fees	0,05
Retrocessions of management fees	
<b>LAZARD ACTIONS EURO T shares</b>	
Guarantee fees	
Fixed management fees	-30,48
Percentage of fixed management fees	-0,05
Retrocessions of management fees	

### 3.8. COMMITMENTS RECEIVED AND GIVEN

#### 3.8.1. Guarantees received by the Fund:

None.

#### 3.8.2. Other commitments received and/or given:

None.

### 3.9. OTHER INFORMATION

#### 3.9.1. Present value of financial instruments held temporarily

	29/09/2023
Securities held under repurchase agreements	
Borrowed securities	

#### 3.9.2. Present value of financial instruments representing security deposits

	29/09/2023
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

#### 3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Name	29/09/2023
Equities			
Bonds			
Negotiable debt securities			
UCI			76 313 115,97
	FR0010990606	LAZARD EQUITY SRI D	76 313 115,97
Forward financial instruments			
<b>Total group securities</b>			<b>76 313 115,97</b>

### 3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	29/09/2023	30/09/2022
<b>Remaining amounts to be allocated</b>		
Retained earnings	361,84	1 545,69
Net income	1 428 446,41	1 273 814,89
Interim dividends paid on net income for the financial year		
<b>Total</b>	<b>1 428 808,25</b>	<b>1 275 360,58</b>

	29/09/2023	30/09/2022
<b>LAZARD ACTIONS EURO IC shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	1 270 370,22	935 693,37
<b>Total</b>	<b>1 270 370,22</b>	<b>935 693,37</b>

	29/09/2023	30/09/2022
<b>LAZARD ACTIONS EURO ID shares</b>		
<b>Appropriation</b>		
Distribution	121 378,08	312 027,02
Balance brought forward for the financial year	315,65	1 537,92
Accumulation		
<b>Total</b>	<b>121 693,73</b>	<b>313 564,94</b>
<b>Information on units with dividend rights</b>		
Number of units	39 927,001	176 286,453
Dividend per unit	3,04	1,77
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of earnings</b>	<b>18 391,27</b>	<b>5 436,38</b>

	29/09/2023	30/09/2022
<b>LAZARD ACTIONS EURO R shares</b>		
<b>Appropriation</b>		
Distribution	32 292,24	25 402,85
Balance brought forward for the financial year	3 279,67	16,64
Accumulation		
<b>Total</b>	<b>35 571,91</b>	<b>25 419,49</b>
<b>Information on units with dividend rights</b>		
Number of units	1 305,792	1 682,308
Dividend per unit	24,73	15,10
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of earnings</b>	<b>5 684,63</b>	<b>490,24</b>

	29/09/2023	30/09/2022
<b>LAZARD ACTIONS EURO T shares</b>		
<b>Appropriation</b>		
Distribution	1 171,61	681,90
Balance brought forward for the financial year	0,78	0,88
Accumulation		
<b>Total</b>	<b>1 172,39</b>	<b>682,78</b>
<b>Information on units with dividend rights</b>		
Number of units	97,553	97,553
Dividend per unit	12,01	6,99
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of earnings</b>	<b>177,52</b>	<b>11,88</b>

**Table of appropriation of distributable amounts pertaining to net capital gains and losses**

	29/09/2023	30/09/2022
<b>Remaining amounts to be allocated</b>		
Undistributed net capital gains and losses recognised in previous years	1 677 014,11	1 277 301,07
Net capital gains and losses for the year	1 140 736,13	18 199 482,52
Interim dividends paid on net capital gains/losses for the financial year		
<b>Total</b>	<b>2 817 750,24</b>	<b>19 476 783,59</b>

	29/09/2023	30/09/2022
<b>LAZARD ACTIONS EURO IC shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	1 014 983,68	13 338 944,84
<b>Total</b>	<b>1 014 983,68</b>	<b>13 338 944,84</b>

	29/09/2023	30/09/2022
<b>LAZARD ACTIONS EURO ID shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses	1 368 432,92	5 620 993,59
Accumulation		
<b>Total</b>	<b>1 368 432,92</b>	<b>5 620 993,59</b>

	29/09/2023	30/09/2022
<b>LAZARD ACTIONS EURO R shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses	421 130,46	504 562,18
Accumulation		
<b>Total</b>	<b>421 130,46</b>	<b>504 562,18</b>

	29/09/2023	30/09/2022
<b>LAZARD ACTIONS EURO T shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses	13 203,18	12 282,98
Accumulation		
<b>Total</b>	<b>13 203,18</b>	<b>12 282,98</b>

**3.11. TABLE OF THE ENTITY'S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL**

YEARS

	30/09/2019	30/09/2020	30/09/2021	30/09/2022	29/09/2023
<b>Global net assets in euros</b>	<b>202 421 355,88</b>	<b>147 457 770,09</b>	<b>161 757 456,89</b>	<b>92 609 575,77</b>	<b>76 332 767,14</b>
<b>LAZARD ACTIONS EURO IC shares in EUR</b>					
Net assets	152 690 304,30	123 442 965,63	132 871 842,86	68 117 048,66	67 879 017,96
Number of shares	224 433,728	196 232,107	158 690,073	94 126,794	73 419,255
Net asset value per unit	680,33	629,06	837,30	723,67	924,53
Accumulation per unit pertaining to net capital gains/losses	-7,37	7,37	37,17	141,71	13,82
Accumulation per unit pertaining to income	15,28	5,51	12,13	9,94	17,30
<b>LAZARD ACTIONS EURO ID shares in EUR</b>					
Net assets	41 111 517,94	20 121 528,33	26 292 047,64	22 421 603,36	6 410 445,31
Number of shares	325 944,522	176 266,453	176 266,453	176 286,453	39 927,001
Net asset value per unit	126,13	114,15	149,16	127,18	160,55
Accumulation per share pertaining to net capital gains/losses		1,34			
net capital gains/losses per share not distributed			6,63	31,88	34,27
Accumulation per unit pertaining to net capital gains/losses	-1,37				
Distribution of income per share:	2,83	1,00	2,16	1,77	3,04
Tax credit per share	0,265		0,138	0,076	(*)
<b>LAZARD ACTIONS EURO S shares in EUR</b>					
Net assets	9 858,94	9 154,80			
Number of shares	1	1			
Net asset value per unit	9 858,94	9 154,80			
Accumulation per unit pertaining to net capital gains/losses	-106,57	106,78			
Accumulation per unit pertaining to income	261,29	120,36			

	30/09/2019	30/09/2020	30/09/2021	30/09/2022	29/09/2023
<b>LAZARD ACTIONS EURO R shares in EUR</b>					
Net assets	8 275 478,48	3 583 964,10	2 323 389,63	2 021 907,94	1 981 429,09
Number of shares	7 164,245	3 377,467	1 655,715	1 682,308	1 305,792
Net asset value per unit	1 155,10	1 061,13	1 403,25	1 201,86	1 517,41
net capital gains/losses per share not distributed			62,42	299,92	322,50
Accumulation per unit pertaining to net capital gains/losses	-12,57	12,52			
Distribution of income per share:			11,99	15,10	24,73
Tax credit per share			1,498	0,232	(*)
Retained earnings per share pertaining to net income					2,51
Accumulation per unit pertaining to income	18,89	2,15			
<b>LAZARD ACTIONS EURO T shares in EUR</b>					
Net assets	334 196,22	300 157,23	270 176,76	49 015,81	61 874,78
Number of shares	698,009	678,009	458,509	97,553	97,553
Net asset value per unit	478,78	442,70	589,25	502,45	634,26
net capital gains/losses per share not distributed			26,16	125,91	135,34
Distribution of income per share:			8,53	6,99	12,01
Tax credit per share			0,756	0,121	(*)
Accumulation per unit pertaining to income	10,75	3,88			

\* Tax credit per unit will only be calculated on the distribution date, in accordance with applicable tax regulations.



### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS *in euros*

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Undertakings for collective investment</b>				
<b>General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>				
<b>FRANCE</b>				
LAZARD EQUITY SRI D	EUR	43 570,149	76 313 115,97	99,97
<b>TOTAL FRANCE</b>			<b>76 313 115,97</b>	<b>99,97</b>
<b>TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>			<b>76 313 115,97</b>	<b>99,97</b>
<b>TOTAL Undertakings for collective investment</b>			<b>76 313 115,97</b>	<b>99,97</b>
Receivables			11 129,83	0,02
Liabilities			-13 527,18	-0,02
Financial accounts			22 048,52	0,03
<b>Net assets</b>			<b>76 332 767,14</b>	<b>100,00</b>

LAZARD ACTIONS EURO T shares	EUR	97,553	634,26
LAZARD ACTIONS EURO R shares	EUR	1 305,792	1 517,41
LAZARD ACTIONS EURO ID shares	EUR	39 927,001	160,55
LAZARD ACTIONS EURO IC shares	EUR	73 419,255	924,53

## ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS

Breakdown of interest: LAZARD ACTIONS EURO ID shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax				
Equities eligible for a tax allowance and subject to non-definitive withholding tax	118 183,92	EUR	2,96	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax	3 194,16	EUR	0,08	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	121 378,08	EUR	3,04	EUR

Breakdown of interest: LAZARD ACTIONS EURO R shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax				
Equities eligible for a tax allowance and subject to non-definitive withholding tax	32 292,236	EUR	24,73	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	32 292,236	EUR	24,73	EUR

Breakdown of interest: LAZARD ACTIONS EURO T shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax				
Equities eligible for a tax allowance and subject to non-definitive withholding tax	1 141,37	EUR	11,70	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax	30,24	EUR	0,31	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	1 171,61	EUR	12,01	EUR

## 7. APPENDIX(ES)

# Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: LAZARD ACTIONS EURO

Legal entity identifier: 96950003NEXEF9VDX505

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective:**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made a minimum of **sustainable investments with a social objective**

No

It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 85,00% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the product are attained.

## To what extent were the environmental and/or social characteristics promoted by this financial product met?

In implementing its investment strategy, security analysis, and ESG integration process described below, the portfolio promotes the following environmental characteristics:

### Environmental policy:

- Integration by companies of environmental factors appropriate to the sector, geographic location and any other relevant material factor
- Development of an environmental management strategy and system
- Development of a climate strategy

### Controlling environmental impacts:

- Limiting and adapting to global warming
- Responsible water and waste management
- Preservation of biodiversity

### Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

Moreover, the portfolio promotes the following social characteristics:

### Respect for human rights:

- Prevention of situations of human rights violations
- Respect for the right to safety and security of persons
- Privacy and data protection

### Human resources management:

- Constructive social dialogue
- Training and career management conducive to human development
- Promoting diversity
- Health, safety and well-being at work

### Value chain management:

- Responsible supply chain management
- Product quality, safety and traceability

This product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

## ● **How did the sustainability indicators perform?**

The achievement of the environmental and social characteristics promoted by this product is measured by sustainability indicators at several levels:

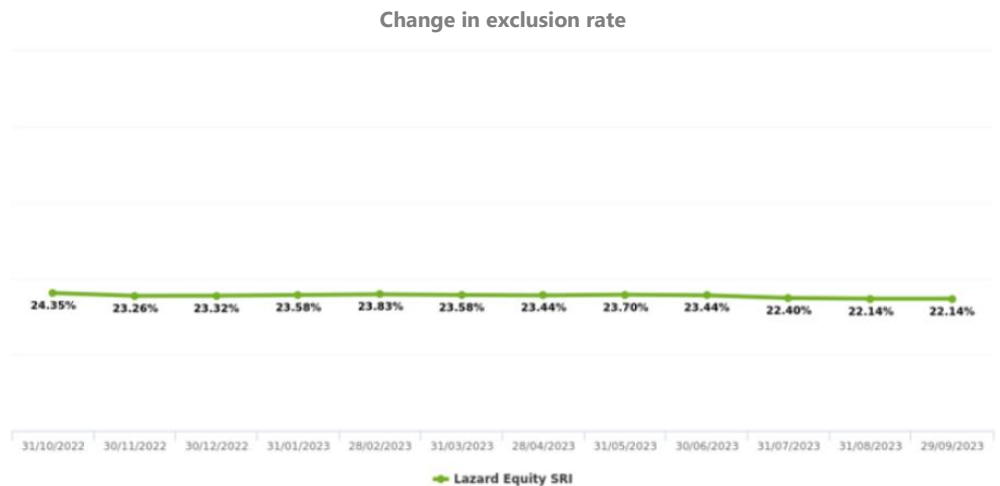
In terms of valuation in the internal analysis model: The ESG analysis of directly held securities is based on a proprietary model that relies on an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agencies, external service providers, etc.), the annual reports of the companies and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG rating.

This score is based on both a quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative approach (solidity of environmental policy, employment strategy, competence of directors, etc.).

Each E, S and G pillar is rated from 1 to 5 based on a minimum of ten relevant key indicators per dimension.

These internal ESG ratings are built into the valuation models through the Beta used to define the weighted average cost of capital (WACC) for equity management and to the issuer selection process and the determination of issuers' weight in the portfolio for bond management. In terms of controlling the elements of the investment strategy with an external data provider:

The analyst-managers ensure that 20% or more of the lowest-rated securities in the portfolio's investment universe are excluded



The portfolio's ESG reference universe is:

The portfolio's reference benchmark.

● ***...and compared to previous periods?***

Not applicable

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The definition of sustainable investment within the meaning of the SFDR is based on the selection of indicators that show a substantial contribution to one or more environmental and social objectives, which do not harm any of the adverse impact indicators and ensures good governance principles.

The environmental indicators used are as follows:

- Carbon footprint (PAI 2)
- Carbon intensity (PAI 3)
- Implied temperature rise (ITR)
- Number of "low-carbon" patents held

The social indicators used are as follows:

- % of women in executive management
- Number of hours of training for employees
- Benefits coverage
- Diversity policies by management

A sustainable investment objective is attained if the substantial contribution of the corresponding indicator is validated, the other indicators are not prejudiced, and good governance principles are complied with. Substantial contribution is measured by the application of thresholds for each of the above indicators.

The table below presents the rules (targets) set for each indicator as well as the result obtained over the past period. The result is the average share of the portfolio invested in companies meeting these criteria, calculated on a quarterly basis. The average share is calculated according to the average positions observed over the past period, coupled with the non-financial data at the end of the period.

	<b>Rule</b>	<b>Average share of the portfolio</b>
<b>Carbon footprint in €m</b>	Included in the lowest 20% of the sector	62,31 %
<b>GHG intensity</b>	Included in the lowest 20% of the sector	20,23%
<b>Implied temperature rise in 2100</b>	≤ 2°C	40,20%

	Rule	Average share of the portfolio
<b>Number of low-carbon patents</b>	Included in the top 20% of the universe	29,36%
<b>% of women in executive management</b>	Included in the top 20% of the universe	21,57%
<b>Number of hours of training for employees</b>	Included in the top 20% of the universe	15,01 %
<b>Benefits coverage</b>	See sustainable investment presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	34,63%
<b>Diversity policies by management</b>	See presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	17,88%

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The absence of significant harm is assessed on the basis of all the PAI indicators listed in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288 of 6 April 2022. In the event of insufficient coverage of the investment universe for certain indicators, alternative criteria may be used on an exceptional basis (such as for PAI 12, use of an indicator on management attention to diversity). Using alternative criteria is subject to the independent control of the Risks and Compliance department. Alternative indicators are also presented on the Lazard Frères Gestion website under the heading “Sustainable investment methodology”.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Indicators of the principal adverse sustainability impacts (PAI) are considered at two levels. Firstly, they are integrated into the internal analysis of each security monitored, carried out by our analyst-managers in the internal ESG analysis grids. In addition, they are used to assess the share of sustainable investments.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Compliance with minimum labour and human rights safeguards (OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights) and the eight fundamental conventions of the International Labour Organization is a key indicator for verifying that companies in which investments are made apply good governance practices.

We therefore check whether the company applies a labour rights due diligence policy in accordance with the eight fundamental conventions of the International Labour Organization (PAI 10) as part of our DNSH process. We also ensure that the investments made apply good governance practices, by monitoring a governance rating from a data provider and the internal rating on the Governance pillar.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

The proprietary model for ESG analysis of portfolio companies takes into account all indicators related to companies' principal adverse impacts (PAI) in terms of sustainability.

These indicators are integrated into the internal grids used to establish a security's ESG rating, which is taken into account in the valuation models through the Beta used to define the weighted average cost of capital for equity management and in the process of selecting issuers and determining their portfolio weight for bond management.

In addition, as stated above, all of the PAI indicators listed in Table 1 of Annex I of the Regulatory Technical Standards of the SFDR are taken into account in the definition of sustainable investment.



## What were the top investments of this financial product?

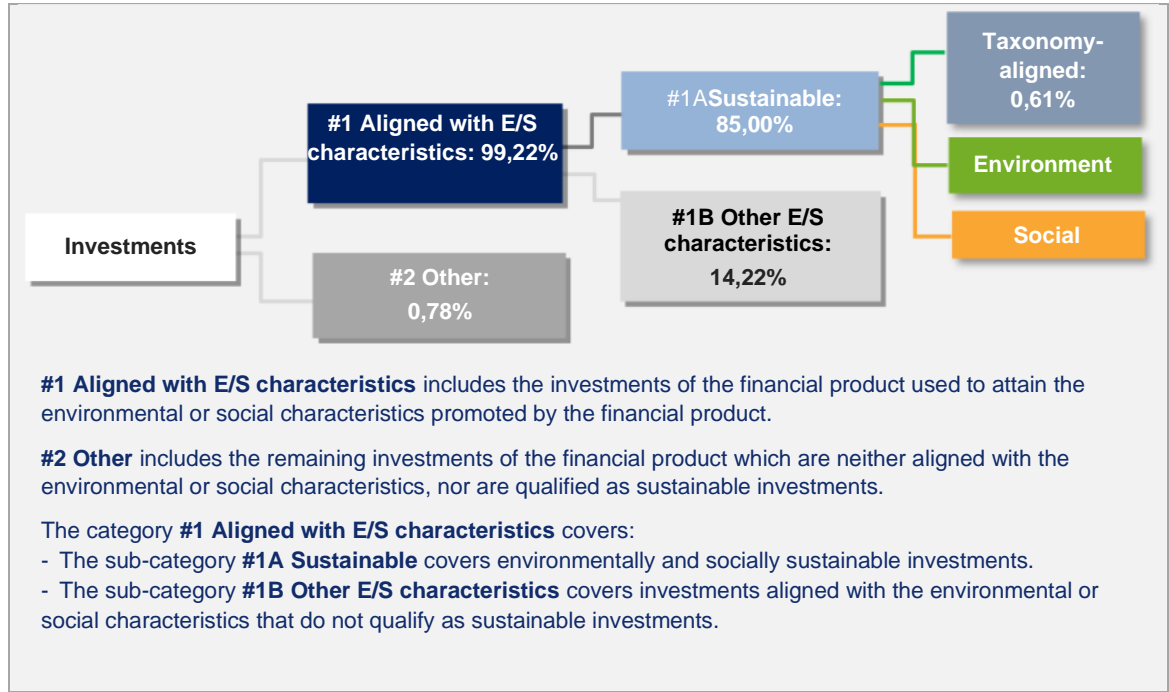
The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/10/2022 to 30/09/2023

Largest investments	Sector	Percentage of assets	Country
1. LAZARD EQUITY SRI D	UCI	92,44%	France



## What was the proportion of sustainability-related investment?

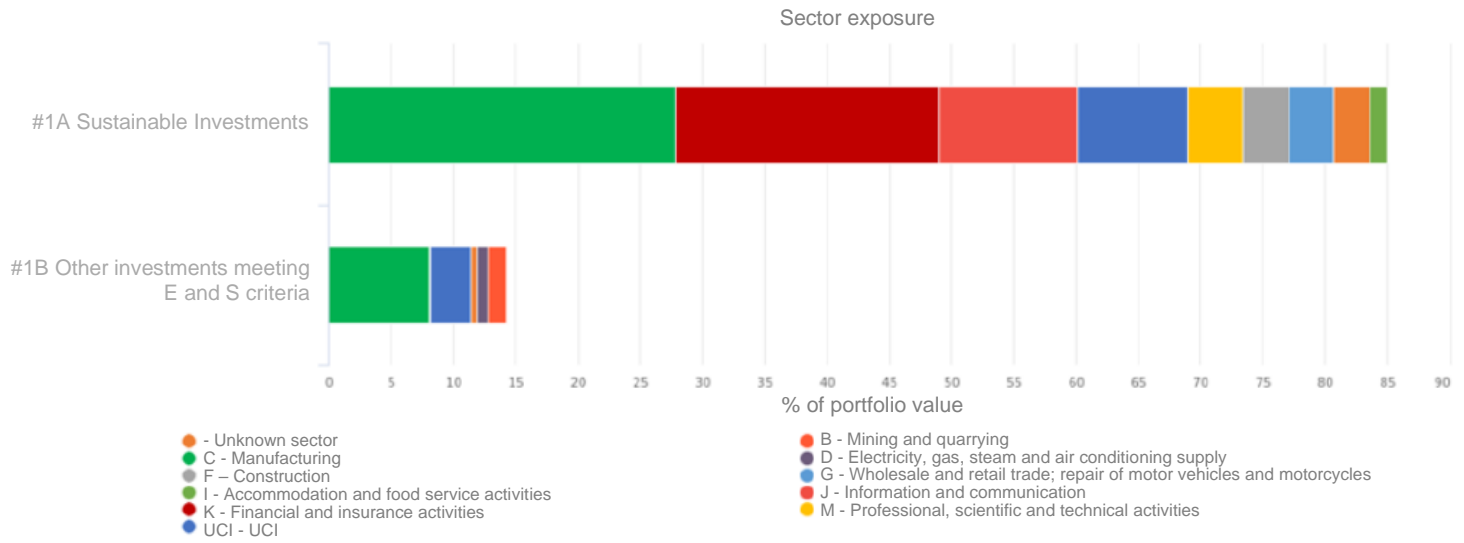
- **What was the asset allocation?**



Details of sustainable investments	
Weight of sustainable investments in the portfolio	85,00%
Of which sustainable investments E	81,52%
Of which sustainable investments S	67,53%

An investment is considered to be sustainable if it complies with at least one of the rules presented above, while not prejudicing any of the negative impact indicators and ensuring good governance criteria. A company can therefore be considered as environmentally and socially sustainable.

● **In which economic sectors were the investments made?**



Exposure to the fossil fuel sector averaged 0,59% over the period.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today;
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy;
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

- **Did the financial product invest in Taxonomy aligned fossil fuel and/or nuclear energy activities?**

At the date of production of this document, Lazard Frères Gestion does not have the data needed to identify the share of activities related to Taxonomy aligned fossil fuel and/or nuclear energy sectors.

The two graphs below show in green the minimum percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**Enabling activities**

directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities**

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The calculation of investment percentages aligned with the EU Taxonomy is based on estimated data.

● **What was the share of investments made in transitional and enabling activities?**

At the date of production of this document, Lazard Frères Gestion does not have the data needed to identify the share of transitional or enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



### ***What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?***

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy is 81,18%

It corresponds to all activities not aligned with the Taxonomy but respecting the environmental objectives of sustainable investment mentioned above.



### ***What was the share of socially sustainable investments?***

The share of socially sustainable investments is 67,53%.

It corresponds to all activities that achieve one or more of the social objectives of sustainable investment mentioned above.



### ***What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?***

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 0,78%.



### ***What actions have been taken to meet the environmental and/or social characteristics during the reference period?***

To promote environmental and social characteristics, the following elements have been respected:

- The non-financial analysis rate

The non-financial analysis rate of the product's investments is over 90%.

This rate is expressed as a percentage of total assets.

Over the past period, the non-financial analysis rate was 99,22% on average.

- The portfolio's exclusion rate

The analyst-managers ensure that 20% or more of the lowest-rated securities in the portfolio's investment universe are excluded

In addition, the management company makes exclusions prior to investments:

- Normative exclusions related to controversial weapons (cluster munitions, anti-personnel mines, biological and chemical weapons) and violations of the UN Global Compact.
- Sector exclusions (tobacco and thermal coal)
- Geographical exclusions (tax havens on the FATF list).

For more information on the engagement and voting policy, please refer to the voting and engagement reports available at <https://www.lazardfreresgestion.fr>.



## How did this financial product perform compared to the reference benchmark?

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

# **French open-end investment fund (SICAV)**

## **LAZARD EQUITY SRI**

### **ANNUAL REPORT**

as at 29 September 2023

**Management company: Lazard Frères Gestion SAS**

**Custodian: CACEIS Bank**

**Statutory auditor: Ernst & Young et Autres**



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## 1. CHARACTERISTICS OF THE UCI

### LEGAL FORM

French open-end investment company (Société d'Investissement à Capital Variable - SICAV)

### CLASSIFICATION

Eurozone country equities.

### ALLOCATION OF DISTRIBUTABLE INCOME

Distributable income consists of:

- 1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account. Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees and all income generated by the securities that make up the UCI's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.
- 2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be accumulated and/or distributed and/or retained independently of each other, in whole or in part.

#### Allocation of distributable income

#### **PC EUR, RC EUR, RC H-USD, RC H-CHF, UC EUR, UC H-USD, UC H-GBP, UC H-CHF shares**

Distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law.

#### **PD EUR, RD EUR shares**

Net income is distributed in full and the allocation of net realised capital gains is decided each year at the Shareholders' Meeting. It may pay interim dividends.

### INVESTMENT OBJECTIVE

#### PC EUR, PD EUR, RC EUR, RD EUR, UC EUR shares

The investment objective is to outperform, over the recommended investment period and net of fees, the following benchmark index: Euro Stoxx in euro terms, dividends or net interest reinvested, through an active policy of socially responsible investment based on financial, social, societal, environmental and governance criteria.

#### RC H-USD shares

The investment objective is to outperform, over the recommended investment period and net of fees, the following benchmark index: EURO STOXX HEDGED USD expressed in USD, net dividends or coupons reinvested, through an active policy of socially responsible investment based on financial, social, societal, environmental and governance criteria.

The shares' performance may be impacted by possible foreign exchange hedging costs.

#### RC H-CHF shares, UC H-CHF shares

The investment objective is to outperform, over the recommended investment period and net of fees, the following benchmark index: EURO STOXX HEDGED CHF expressed in CHF, net dividends or coupons reinvested, through an active policy of socially responsible investment based on financial, social, societal, environmental and governance criteria.

The share's performance may be impacted by possible currency hedging costs.

#### UC H-USD shares

The investment objective is to outperform, over the recommended investment period and net of fees, the following benchmark index: EURO STOXX HEDGED USD expressed in USD, net dividends or coupons reinvested, through an active policy of socially responsible investment based on financial, social, societal, environmental and governance criteria. The share's performance may be impacted by possible currency hedging costs.

#### UC H-GBP shares

The investment objective is to outperform, over the recommended investment period and net of fees, the following benchmark index: EURO STOXX HEDGED GBP expressed in GBP, net dividends or coupons reinvested, through an active policy of socially responsible investment based on financial, social, societal, environmental and governance criteria.

The share's performance may be impacted by possible currency hedging costs.

### **BENCHMARK INDEX**

#### PC EUR, PD EUR, RC EUR, RD EUR, UC EUR shares

##### Euro Stoxx

The Eurostoxx index, expressed in euros, consists of the largest listed companies in the Eurozone, weighted by market capitalisation.

Data are available at: [www.stoxx.com](http://www.stoxx.com)

Bloomberg code: SXXT Index.

#### UC H-GBP shares

##### Eurostoxx Hedged GBP

The Eurostoxx Hedged GBP index, hedged against foreign exchange risk with the GBP as the base currency, is made up of the largest listed companies in the Eurozone, weighted according to market capitalisation.

Data are available at: [www.stoxx.com](http://www.stoxx.com)

Bloomberg code: SXXT Index.

#### RC H-USD shares, UC H-USD shares

##### Eurostoxx Hedged USD

The Eurostoxx Hedged USD index, hedged against foreign exchange risk with the USD as the base currency, is made up of the largest listed companies in the Eurozone, weighted according to market capitalisation.

Data are available at: [www.stoxx.com](http://www.stoxx.com)

Bloomberg code: SXXT Index.

#### RC H-CHF shares, UC H-CHF shares

##### Eurostoxx Hedged CHF

The Eurostoxx Hedged CHF index, hedged against foreign exchange risk with the CHF as the base currency, is made up of the largest listed companies in the Eurozone, weighted according to market capitalisation.

Data are available at: [www.stoxx.com](http://www.stoxx.com)

Bloomberg code: SXXT Index.

### **INVESTMENT STRATEGY**

#### **1. Strategies used**

The SICAV will be 90% invested in and exposed to Eurozone equities.

To support his investment policy, the manager has opted for a "best in class" positioning.

This involves selecting companies that, based on his analysis, display the best relative non-financial metrics in their sector, notably in terms of human resources management and respect for the environment, as well as a high level of economic profitability.

The UCI promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088, the so-called "SFDR".

For the portfolio construction and the assessment of non-financial criteria, the management team relies on its own internal analysis of ESG (environmental, social and governance) criteria and on the services provided by our ESG partner.

The analysts responsible for monitoring each security determine an internal ESG rating based on both a quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative (environmental policy, employment strategy, director competence, etc.) approach. This ESG rating takes into account the companies' main impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production) and the risks likely to affect their own sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk through, among other factors, monitoring of controversies).

The information relating to the main negative impacts on the sustainability factors is published in the periodic SFDR reports of the UCI, available on the website of the management company.

Additional information is also included in the management company's transparency code, which can be consulted on the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

The stock selection process consists of two distinct, simultaneous and necessary phases:

**A) The non-financial rating filter:**

The SICAV is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. The inclusion of ESG criteria influences the analysis of companies held in the portfolio, stock picking and weighting.

For a stock to be eligible for the SICAV's portfolio, it must meet three conditions.

For conditions 1 and 2, we use five main areas (environmental and social) defined in partnership with our ESG partner. Our ESG partner's rating for each area is based on a scale of five levels (from --, companies with no involvement in SRI, to ++, pioneering companies) (see below: our ESG partner's relative rating system).

For condition 3, we use our own corporate governance rating. This rating is built directly into the general stock-picking process.

**Condition 1: have a score at least equal to “=” in Human Resources**

A company's financial performance can be impacted by lack of attention to human resources issues. The quality of general working conditions, fostering of employer-employee relations, job enhancement and skills training are the main factors examined.

**Condition 2: obtain a weighted average score of at least “=”**

Lazard Frères Gestion requires each of the five areas of non-financial analysis to be weighted according to their importance:

- Human resources (40%): Management of the companies' human capital: training, safety, redeployment measures for staff who are made redundant, remuneration policy.
- Environment (30%): Manage the impact of the company's activities, products or services on the environment and climate. Level of information available for this criterion.
- Customer/supplier relationships (10%): Supplier management and identification of supplier good practice in certain areas (child labour, etc.).
- Human rights (10%): Prevention of human rights risks, particularly regarding discrimination.
- Community involvement (10%): Integration of the company in the local community. Involvement in development in general and the development of certain activities in particular, such as supporting education in a particular area.

**Condition 3: obtain an internal governance score of more than 2 out of 5**

The company's governance policy must, according to the management company, guarantee the fair treatment of minority shareholders and prevent conflicts of interest.

The proportion of issuers covered by an ESG analysis in the portfolio must be at least 90%, excluding bonds and other debt securities issued by public or quasi-public issuers and cash held on an ancillary basis, and social impact assets (which are then capped at 10% of total assets).

The analyst-managers ensure that an exclusion rate of 20% or more of the lowest-rated securities in the UCI's investment universe is maintained. For the sake of integrity and objectivity, the scores used to apply this exclusion rate are provided by an external rating agency.

The SICAV's investment universe comprises around 400 Eurozone large cap companies. 100% of the SICAV's shares are rated internally and by our ESG partner. Any other assets, such as money market instruments, are not rated.

### **Relative rating system of our ESG partner**

The rating system provided by our partner and used by the manager for conditions 1 and 2 works as follows:

An absolute score is calculated for each company in the portfolio. This score is a weighted average reflecting the importance that the manager assigns to each area under review (Human Resources, Human Rights, Environment, Customer/Supplier Relationships and Community Involvement). The score is compared to that of other companies in the same industry.

For each area, companies will be given a score relative to their sector (between 0 and 100). A company's final rating (between -- and ++) will depend on the normal distribution of scores of companies in that sector. That is, if a company is above the sector median (+ or - 20%), it will receive a positive rating (+), or a highly positive rating (++) if it is among the 5% highest-scored companies. Conversely, if a company is below the sector median (+ or -20%), it will receive a negative rating (-), or a highly negative rating (--) if it is among the lowest-scored 5% of companies.

[++]: the highest-scored 5% of companies above the sector median

[+]: 25% of companies with scores above the sector median

[=]: 40% of companies in the mid-range for the sector (+ or -20%)

[-]: 25% of companies with scores below the sector median

[--]: the 5% lowest-scored companies below the sector median

A score is deemed positive if it is greater than or equal to the sector median (+ or - 20%).

The selected rating agency will immediately inform the fund manager whenever a stock is downgraded. If the non-financial conditions and the financial filter (see below) are still met, the stock may remain in the portfolio. If this is not the case, the stock is withdrawn from the portfolio within 20 business days.

### **Corporate governance**

Corporate governance is a major criterion in the manager's stock selection process. Its assessment must be systematic and must satisfy the management company's requirements, including that of protecting the company concerned from any internal conflict of interest.

The manager identifies all factors that might impact the company's long-term strategy, its potential for value creation and the fundamental interests of minority shareholders. For this reason, the manager examines the remuneration policies for the company's managers and directors in detail to ensure they do not introduce bias into decisions regarding investment, capital allocation or the day-to-day operational management of the company. Managers' remuneration should be pegged to medium- to long-term profitability targets for the company; it should not be linked to criteria of size or growth without taking account of profitability. The capital allocation policy should also benefit the company and its minority shareholders. It should not benefit one major shareholder only. Under no circumstances should there be any conflicts of interest between the managers, the directors, the major shareholder(s), if any, and the minority shareholders.

The management company focuses in particular (but not only) on examining managers' and directors' remuneration policies and their defining rationale and criteria, regulated agreements, the clarity and transparency of the financial statements and the independence of the supervisory bodies. For example, opaque financial statements and/or managers' remuneration that focuses on the short term would disqualify the stock in question.

### **B) The financial filter:**

Stock selection is based on financial analysis that focuses on three key elements: profitability, growth and valuation.

- Economic profitability is the ability of a company to create value over the long-term. It is measured by the return on capital employed (property, plant and equipment and intangible assets, goodwill and working capital requirement).

- Growth is the ability of a company to increase capital employed while maintaining a level of profitability at least equal to what it has been historically.
- We use a very demanding and disciplined multi-criteria valuation approach (historical multiples, DCF, peer comparison). We consider this approach to be essential to ensure that economic performance translates into stock market performance.

The SICAV's portfolio is invested in and/or exposed to equities traded on the Eurozone markets to at least 90% of net assets.

#### Regulation (EU) 2020/852, known as the "Taxonomy Regulation"

The European Union Taxonomy aims to identify economic activities that are considered environmentally sustainable. The Taxonomy identifies these activities according to their contribution to six broad environmental objectives:

- Climate change mitigation,
- Climate change adaptation,
- Sustainable use and protection of water and marine resources,
- Transition to the circular economy (waste, prevention and recycling),
- Pollution prevention and control,
- Protection of healthy ecosystems.

To be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of one of the six objectives, while not harming any of the other five (the so-called DNSH principle, standing for "Do No Significant Harm"). In order for an activity to be considered aligned with the European Taxonomy, it must also respect the human and social rights guaranteed under international law.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

The minimum percentage of alignment with the European Union Taxonomy is 0%.

## **2. Assets excluding derivatives**

### **Equities:**

A minimum of 90% of the net assets in equities traded on the Eurozone markets.

### **Debt securities and instruments:**

French and foreign negotiable debt securities (mainly French treasury bills and BTAN medium-term treasury notes) to a maximum of 10% of net assets. These securities may be of any subordination level, any type and in any currency. The private/public allocation is not determined in advance and will be based on opportunities. No minimum credit quality criterion is used. The management company does not rely solely or mechanically on credit ratings issued by rating agencies but rather conducts its own analyses to assess the credit quality of the securities entering its portfolio.

### **UCIs:**

Up to a maximum of 10% of its net assets, French or foreign UCITS and/or French or EU-based alternative investment funds (AIFs) that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (Code monétaire et financier), and/or foreign investment funds that meet the four criteria of Article R.214-13 of the French Monetary and Financial Code, provided these funds themselves invest less than 10% of their assets in other UCIs. All the UCIs may be managed by Lazard Frères Gestion SAS.

## **3. Derivatives**

- Types of markets:

- regulated
- organised
- OTC

- The manager intends to seek exposure to:

- equity
- interest rates
- foreign exchange
- credit
- other risks

- Transaction types – all transactions must be limited to achieving the investment objective:

- hedging
- exposure
- arbitrage
- other

- Types of instruments used:

- futures:**

- equity and equity indices
- interest rate
- foreign exchange
- other

- options:**

- equity and equity indices
- interest rate
- foreign exchange
- other

- swaps:**

- equity swaps
  - interest rate swaps
  - currency swaps
  - performance swaps
- currency forwards
- credit derivatives
- other

- Derivatives strategy to achieve the investment objective:

- partial or general hedging of the portfolio, some risks and securities
- creation of synthetic exposure to assets
- increasing exposure to the market
- maximum permitted and sought
- other strategy

#### 4. Securities with embedded derivatives

None.

#### 5. Deposits

Up to 10% of the UCI's assets may be held in deposits.

#### 6. Cash borrowings

The UCI may borrow cash within the limit of 10% of its net assets to meet specific cash requirements related to its operating needs.

#### 7. Temporary purchases and sales of securities

None.

#### 8. Information on financial guarantees

In connection with over-the-counter derivative transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (*Autorité des Marchés Financiers - AMF*), the sub-fund may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash. Any cash collateral received is reinvested in accordance with the applicable rules. All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility. Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

### RISK PROFILE

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

#### ■ Risk of capital loss

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

■ **Risk associated with discretionary management**

Discretionary management is based on anticipating market trends. The UCI's performance depends on both the securities and UCIs that the portfolio manager chooses and on the portfolio manager's allocation of assets. There is therefore a risk that the manager may not select the best-performing securities or choose the optimal asset allocation.

■ **Equity risk**

Fluctuations in share prices may have a negative impact on the UCI's net asset value. The UCI's net asset value may decrease during periods in which the equity markets are falling.

■ **Market capitalisation risk**

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

■ **Liquidity risk**

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

■ **Derivative financial instrument risk**

The risk arising from the UCI's use of forward financial instruments (derivatives), which may lead to a bigger decrease in the net asset value than on the markets or in the underlying assets in which the UCI has invested.

■ **Foreign exchange risk**

The UCI may invest in securities and other UCIs that in turn are authorised to acquire instruments denominated in currencies other than the fund's base currency. The value of these assets may fall if the exchange rates vary, which may lead to a decrease in the UCI's net asset value. Where units (or shares) denominated in a currency other than the fund's base currency have been hedged, the foreign exchange risk is residual as a result of systematic hedging, potentially leading to a performance gap between the different units (or shares).

■ **Sustainability risk**

Any environmental, social or governance event or situation that, if it occurs, could have an actual or potential negative impact on the value of the investment. Specifically, the negative effects of sustainability risks can affect issuers via a range of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or impairment of asset value; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

■ **ESG investment risk and methodological limitations**

Non-financial criteria can be integrated into the investment process using data provided by external providers or directly reported by our analysts, notably in our proprietary ESG analysis grid. Data may be incomplete or inaccurate due to the lack of international standards or systematic verification by external third parties. It can be difficult to compare data because issuers do not necessarily publish the same indicators. The unavailability of data may also force management not to include an issuer in the portfolio. The management company may therefore exclude securities of certain issuers for non-financial reasons, regardless of market opportunities.

■ **Interest rate risk**

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

**GUARANTEE OR PROTECTION**

None.

**ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

Any subscriber seeking exposure to equity risk.

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



**Information on Russian and Belarusian investors**

In accordance with the provisions of EU Regulation No. 833/2014 as amended by EU Regulation No. 2022/328 and EC Regulation No. 765/2006 as amended by Regulation (EU) No. 2022/398, the subscription of units or shares in this UCI is prohibited to any Russian or Belarusian national, any natural person residing in Russia or Belarus or any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State of the European Union. This prohibition shall remain in effect for as long as the Regulations are in force.

**Information on US investors:**

The UCI is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

**FATCA:**

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the UCI invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%. To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

As a foreign financial institution, the UCI undertakes to comply with the FATCA and to take all appropriate measures pursuant to the aforementioned intergovernmental agreement.

The amount that it is reasonable to invest in this UCI depends on each investor's personal circumstances.

To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.

This UCI may not be suitable for investors planning to withdraw their investment within five years.

## 2. CHANGES AFFECTING THE UCI

The KIID of the **LAZARD EQUITY SRI** SICAV (ISIN code: FR0000003998) was converted to the KID PRIIPS (*Key Information Document and Packaged Retail Investment and Insurance-based Products*) on January 1st, 2023, in accordance with the European regulations aimed at standardising pre-contractual information on financial products intended for retail investors.

The following decisions were made in relation to the SICAV **LAZARD EQUITY SRI** (ISIN code: FR0000003998), to change the eligibility requirements for investors in UC EUR shares: ISIN code: FR0013204179

➤ **Effective date: 30/03/2023.**

The following decisions were made in relation to the SICAV **LAZARD EQUITY SRI** (ISIN code: FR0000003998), to make the following changes:

- Turnover commission: 0,20% incl. VAT maximum, instead of 0,40% incl. VAT maximum,

For the RC EUR (FR0013204187), RD EUR (FR0013318730), RC H-USD (FR0013204211) and RC H-CHF (FR0013204237) shares:

- Real financial management fees: 1,80%, instead of 2,00%.

➤ **Effective date: 01/06/2023.**

The Board of Directors of the **LAZARD EQUITY SRI** SICAV (ISIN code: FR0000003998) on September 25th, 2023, proposed introducing the gates mechanism in the SICAV's prospectus. An Extraordinary Shareholders' Meeting has been called to include the gates mechanism in the articles of association and to amend the Prospectus.

➤ **Effective date: 16/11/2023.**

## Corporate governance (CSR) section

### I. List of appointments

Directors' names	Number of mandates (SICAVs/SAs)	List of offices and positions held in SAs and SICAVs
Bernard Devy	1	- Chairman of the Board of Directors of Lazard Equity SRI
Axel Laroza <i>Director of Lazard Frères Gestion SAS</i>	3	- Chairman of the Board of Directors of the SICAV Lazard Actifs Réels - CEO and board member of the SICAV Lazard Equity SRI - Deputy CEO and board member of the SICAV Lazard Alpha Europe
François de Saint-Pierre <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Chairman of the Board of Directors of the SICAV Objectif Monde - Chairman and Chief Executive Officer of Objectif Gestion Mondiale - Board member of the SICAVs: . Lazard Small Caps Euro SRI . Lazard Equity SRI . T3SO
Jean-Pierre Thomas	1	- Board member of Lazard Equity SRI
Régis Bégué <i>Managing Director of Lazard Frères Gestion SAS</i>	3	- Chairman and Chief Executive Officer of the SICAVs: . Lazard Alpha Europe . Lazard Alpha Euro SRI - Board member of Lazard Equity SRI
Monica Nescaut <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Board member of the SICAVs: . Norden SRI . Lazard Small Caps Euro SRI . Lazard Funds ( <i>SICAV with sub-funds</i> ) . Lazard Equity SRI . Lazard Convertible Global
Fabienne de la Serre <i>Managing Director of Lazard Frères Gestion</i>	4	- Board member of the SICAVs: . Mahe . Adelaïde . Lazard Equity SRI - Board member and Chief Executive Officer of the SICAV Guilactions
Paul Castello <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Board member of the SICAVs: . Lazard Euro Short Duration SRI . Lazard Equity SRI . Norden Small . Lazard Funds ( <i>SICAV with sub-funds</i> ) - CEO and board member of the SICAV Lazard Convertible Global

II. Directors' fees

<b>Members of the Board of Directors</b>	<b>Directors' fees paid by the SICAV</b>
Bernard Devy	€ 8.764
Axel Laroza <i>Director of Lazard Frères Gestion SAS</i>	0
François de Saint-Pierre <i>Managing Director of Lazard Frères Gestion SAS</i>	0
AG2R-Agirc Arrco (formerly UGRR)	€ 2.286
Audiens Prévoyance	€ 2.286
IRP AUTO Prévoyance-Santé	€ 2.286
C.F.D.T.	€ 2.286
Jean-Pierre Thomas	€ 2.286
Régis Bégué <i>Managing Director of Lazard Frères Gestion SAS</i>	0
Monica Nescout <i>Managing Director of Lazard Frères Gestion SAS</i>	0
Fabienne de La Serre <i>Director of Lazard Frères Gestion</i>	0
Paul Castello <i>Managing Director of Lazard Frères Gestion SAS</i>	0
Michel Piermay	€ 3.049

III. Agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code

The SICAV was not informed of the conclusion of any agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code during the financial year ended September 29th, 2023.

IV. Table of currently valid delegations of powers granted by the Shareholders' Meeting, as stipulated in Article L. 225-37-4 para.3 of the French Commercial Code

No delegation of authority pursuant to Article L. 225-37-4 para.3 of the French Commercial Code was granted or was ongoing during the financial year ended September 29th, 2023.

V. Method of operation of the general management

The Board of Directors decided to separate the functions of Chairman of the Board of Directors from that of Chief Executive Officer.

### 3. MANAGEMENT REPORT

#### PERFORMANCE

- ❖ The performance of the PC share (FR0000003998) over the period was +27,62%.
- ❖ The performance of the UC share (FR0013204179) over the period was +28,14%.
- ❖ The performance of the RC share (FR0013204187) over the period was +26,54%.
- ❖ The performance of the PD share (FR0010990606) over the period was +27,62%.
- ❖ The performance of the RD share (FR0013318730) over the period was +25,22%.

The performance of the benchmark over the period was +23,92%.

*Past performance is no guarantee of future results.*

#### ECONOMIC ENVIRONMENT

Despite central banks' efforts to curb activity and inflation, growth showed unexpected resilience in Western countries. US growth was robust, underpinned by household consumption. Growth in the Eurozone was modest, against a backdrop of deteriorating purchasing power and rapid transmission of the ECB's monetary tightening.

However, the economic impacts of the energy crisis were less severe than feared. The collapse of three US regional banks and the disaster takeover of Credit Suisse in March 2023 could also have had a greater impact. Thanks to lower energy prices and the easing of supply tensions, inflation fell sharply in the US and Europe. However, it remained well above central bank targets, fuelled by the services sector and the still tight labour market situation.

Against this backdrop, the Fed and the ECB continued to tighten their monetary policy. The Fed raised its key rate to 5,25%-5,50%, a 22-year high. The ECB raised the refinancing rate to 4,50% and the deposit rate to 4,00%, levels never before reached. In China, after a rebound following the lifting of health restrictions, growth lost momentum amid a slowdown in the real estate sector.

Against this backdrop, global equity markets rebounded strongly, making up some of the losses recorded in 2022. US and European interest rates alternated between rises and falls before soaring in the summer of 2023 to reach their highest levels for more than ten years.

#### Economy

In the United States, GDP growth accelerated to +2,4% year-on-year in Q2 2023. Job creation slowed to an average of +266,000 per month. The unemployment rate rose to 3,8%. Annual hourly wage growth slowed to +4,2%. The year-on-year increase in consumer prices slowed to +3,7% and +4,1% excluding energy and food.

The Fed raised its key rate by +2,25% to 5,25%-5,50%, in the following sequence: a +0,75% hike in November 2022, +0,50% in December 2022 and three consecutive +0,25% hikes in February, March and May 2023. The Fed took a first pause in June 2023, before a further 0,25% hike in July 2023 and a further pause in September 2023.

In terms of unconventional measures, in March 2023 the Fed announced the creation of a new liquidity access mechanism ("Bank Term Funding Program") in response to the collapse of Silvergate Bank, Silicon Valley Bank and Signature Bank.

In the U.S. midterm elections on November 8th, 2022, the Democrats retained their majority in the Senate and the Republicans won the House of Representatives.

In the Eurozone, GDP growth slowed to +0,5% year-on-year in Q2 2023, with contrasting trends between countries. GDP fell by -0,2% in Germany, while rising by +1,0% in France, +0,3% in Italy and +2,2% in Spain. PMI surveys improved until the spring of 2023 before deteriorating rapidly in the summer of 2023. The Eurozone unemployment rate fell to 6,4%. The year-on-year increase in consumer prices slowed to +4,3% and +4,5% excluding energy and food.

The ECB raised its key rates by +3,25%, in the following sequence: +0,75% in October 2022, three consecutive hikes of +0,50% between December 2022 and March 2023 and four consecutive hikes of +0,25% between May and September 2023. The deposit rate was raised from +0,75% to +4,00% and the refinancing rate from +1,25% to +4,50%.

In terms of unconventional measures, in December 2022 the ECB announced a reduction in the size of its APP portfolio from March 2023. In June 2023, the ECB announced that it would end reinvestments under this programme.

In Italy, the right-wing coalition secured a clear victory in the general elections on September 25th, 2022. Giorgia Meloni was elected prime minister on October 22nd, 2022.

In China, GDP growth accelerated to +6,3% year-on-year in Q2 2023. Activity benefited from the complete lifting of health restrictions in December 2022. The real estate sector continued to struggle. The urban unemployment rate fell to 5,2%. Consumer prices remained stable.

China's central bank cut its key rate by 0,25% to 2,50% and the reserve requirement ratio by 0,75% to 10,50%.

At the conclusion of the 20th CCP Congress in October 2022, Xi Jinping won a third term as General Secretary of the Party and head of the armed forces. Xi Jinping was formally re-elected President of the Republic during the annual session of the National People's Congress in March 2023. On this occasion, the government announced that it was aiming for growth of "around +5,0%" in 2023.

## **Markets**

The MSCI World All Country index of global equity markets rose by +18,7% year-on-year, wiping out around half of the decline in the first nine months of 2022. The Topix in yen rose by +26,6%, the Euro Stoxx in euros by +20,9%, the S&P 500 in dollars by +19,6% and the MSCI emerging equities index in dollars by +8,8%.

The unexpected resilience of the global economy was a major support factor for equity markets between the fourth quarter of 2022 and the start of the third quarter of 2023.

The effects of the Eurozone energy crisis were less significant than feared, the Chinese economy reopened faster than expected and US inflation slowed, while the unemployment rate remained low, fuelling the idea of a soft landing for the US economy.

Equity markets also benefited from the sharp rise in tech mega-caps in the United States, linked to the artificial intelligence craze.

The uptrend in equity markets reversed from August 2023 onwards, against a backdrop of increasing economic uncertainty in China, poor economic data in Europe and soaring long-term interest rates.

Bond markets alternated between rises and falls between the fourth quarter of 2022 and the start of the third quarter of 2023, with investors switching from one monetary policy scenario to another.

US and European interest rates soared during the summer of 2023 to reach their highest levels for more than ten years, as the resilience of the US economy and the Fed's more restrictive message led investors to anticipate permanently higher key rates.

The US 10-year yield rose from 3,83% to 4,57% and the German 10-year yield from 2,11% to 2,84%.

According to ICE Bank of America indices, credit spreads for European corporate issuers fell from 210 to 141 basis points in the Investment Grade segment and from 625 to 445 basis points in the High Yield segment. The euro appreciated by +7,9% against the dollar and by +11,3% against the yen. It stabilised against the Swiss franc and depreciated by -1,2% against sterling. According to the JPMorgan index, emerging currencies depreciated by an average of -2,9% against the dollar,

The S&P GSCI commodity price index was virtually stable over the year. The price of a barrel of Brent crude oil rose from \$86 to \$92, with a peak of \$100 in early November 2022 and a low point of \$72 in mid-March 2023.

## MANAGEMENT POLICY

*In the last quarter of 2022, Lazard Equity SRI gained 14,79% versus a rise of 12,67% for the Euro Stoxx net dividends reinvested (in euro).*

While August and September were marked by accelerating inflation leading to a sharp rise in long rates, as well as by the continuing energy crisis in Europe and the harmful zero-Covid policy in China, October saw some appeasement on all these fronts. Buoyed by what were generally good earnings releases, often accompanied by upward revisions despite the uncertainties, the market rose sharply over the month: +7,98%. The fund (C share) outperformed very significantly with a rise of 9,67% over the period. Although it was hurt by a slight underexposure to the energy sector, it benefited from good stock picks in basic resources, technology, media, consumer goods, automotive and energy. The absence of Airbus, but also Adidas, Deutsche Boerse, Merck KgAA, Dassault Systèmes and ASM International were the main negative contributors to October's performance, while the best contributions came from Imerys, Alstom, Publicis, SAP, Essilor, Carrefour, Société Générale and the absence of Prosus, Pernod Ricard and Philips.

The very strong rebound in equity markets in October continued and intensified in November, under the effect of lower oil prices and commodity prices in general, the easing of long-term interest rates, and quarterly earnings releases, which were satisfactory on the whole and sometimes accompanied by upward revisions. Against this backdrop, the Euro Stoxx gained 8,09% and the fund (C unit) underperformed very slightly at +7,89%. The portfolio was hurt by its stock picks in basic resources and automotive and its underexposure to retail, but benefited from its picks in industrial goods. Imerys, after its strong rebound in the previous weeks, underperformed, as did Sanofi, Bureau Veritas, Deutsche Telekom, Rexel and UCB. Conversely, Alstom, Kone, Adidas, Intesa San Paolo, BNP Paribas and Allianz rebounded and made a positive contribution to performance in November.

The enthusiasm in the equity markets in October and November was followed by a certain nervousness in December under the influence of the European Central Bank's fairly firm stance, which led, among other things, to a spectacular rise in interest rates in Europe, with the 10-year Bund yield rising from 1,81% to 2,56% in a single month, reaching its highest level in more than ten years. The dollar also continued to decline, dropping from \$1,03/€ to \$1,07/€. The fall in energy prices in Europe failed to curb the fall in equity markets; the Eurostoxx lost 3,47% over the month. The fund (C unit) outperformed slightly at -2,99%. It was negatively affected by its underexposure to the utilities and agri-food sectors but benefited from a good allocation to insurance and a positive stock-picking effect in healthcare and construction materials. Alstom, Deutsche Boerse, SAP and Akzo Nobel underperformed, while Saint-Gobain, KBC, Merck KgAa, Sanofi and Rexel made a positive contribution.

*In the first quarter of 2023, Lazard Equity SRI gained 11,56% versus a rise of 11,83% for the Euro Stoxx net dividends reinvested (in euro).*

Turning the cautious consensus on its head, the equity markets got off to a flying start in 2023. As interest rates eased sharply from their December high, the dollar continued to fall, as did energy prices, particularly in Europe, the Eurostoxx rose by 9,31%. The fund (C share) outperformed slightly at +9,75%. It was nevertheless hurt by a negative selection and allocation in healthcare, which saw some profit-taking after its good relative performance in 2022. Sanofi, EssilorLuxottica and Deutsche Boerse made negative contributions, as did UCB and Kone. On the other hand, the portfolio benefited from its stock picks in chemicals, personal products and basic resources, as well as from the absence of utilities and agri-food. But the best contributors in January came from various sectors. These include BNP Paribas, Saint-Gobain, Aperam, Intesa San Paolo, Alstom and ASM International.

As the earnings release season was still fairly positive, equity markets continued the spectacular rise of the beginning of the year in February, this despite the very strong pressure on interest rates that followed an increase in inflationary pressures on both sides of the Atlantic. The T-Bond yield rose from 3,50% to 3,90% in February and the Bund yield rose from 2,27% to 2,65%. Despite this, the Euro Stoxx was up 1,92%, helped among other things by the (relative) easing of tensions over gas and electricity prices in Europe.

The fund outperformed with a rise of 2,29%. It was negatively affected by its selection in banking, automotive and travel and leisure, but benefited from good stock picks in building materials, media and basic resources. Merck, Adidas and Sodexo weighed on performance in February, but Publicis, Imerys, Rexel, Carrefour, Intesa and UCB outperformed thanks to their good results, as did Orange on the announcement of its new strategic plan.

While March had started on the upbeat trend of early 2023, the market's rise was abruptly interrupted from the 8th when Credit Suisse's main shareholder indicated that it did not intend to bail out the bank, leading to a panic over the stock which spread to the entire banking sector, ending on the 13th with the absorption of Credit Suisse by UBS. The damage was done, however, and despite the strong rebound of European equities at the end of the month, cyclical sectors and financial stocks were unable to return to their pre-crisis levels, while a sharp easing in interest rates was induced by concerns about the indirect impacts of the financial crisis on the economy in general. Against this backdrop, the fund (C share) underperformed its benchmark index, falling by 0,63% in a market that rose by 0,38%. Overallocation to insurance as well as the absence of utilities proved costly. The stock-picking effect in banks, construction materials and industrial goods was also detrimental. The absence of real estate, the stock picks in chemicals and exposure to healthcare made a positive contribution. Société Générale, BNP Paribas, KBC, Alstom and Intesa SanPaolo made the biggest negative contributions over the month, while Sanofi, Deutsche Boerse, L'Oréal and the absence of ING, Santander, Nordea and Deutsche Bank were positive factors.

*In the second quarter of 2023, Lazard Equity SRI gained 3,15% versus a rise of 2,66% for the Euro Stoxx net dividends reinvested (in euro).*

April was a month of uncertainty. While interest rates eased in the first ten days, accompanying what seemed to be the first signs of a US economic slowdown, they finally rose at the end of the period following reassuring employment figures. After rebounding at the beginning of the month thanks to OPEC, oil prices went back on the decline and Brent ended the month at a low of \$72/bbl, as did European gas, which fell to its lowest level of the year at €35/MWh, both movements no doubt reflecting the fact that the Chinese recovery is less strong than expected. In this uncertain environment, the equity market still managed to gain 1,44%, driven by growth stocks. The fund (C unit) outperformed slightly with a rise of 1,87%. It was mainly affected by an allocation effect in basic resources and utilities, but this was offset by a positive stock-picking effect in construction, chemicals, telecoms and banks. STMicroelectronics, Alstom, Imerys and Merck weighed on performance, while the absence of Infineon, Vinci, Eiffage, Allianz, EssilorLuxottica and Kone made a positive contribution.

In May, the market consolidated after its April high. The continued fall in oil and gas prices bodes well for the earnings of Western companies and potentially for the strength of consumer spending, but it is also a sign of probable weakness in the Chinese economy. Interest rates varied little over the period. Against the backdrop of a fall in the Euro Stoxx, growth stocks, technology stocks in particular, are making a comeback. The index fell by 2,51% and the fund (PC share) outperformed with a smaller decline of 1,74%. It was hurt by its underexposure to industrial goods and overexposure to basic resources and chemicals. On the other hand, it benefited from a good allocation effect in consumer goods and agri-food. Individually, Bureau Veritas, Allianz, Carrefour, Kone and Akzo were negative performers. Alstom made a positive contribution following its good earnings release, as did Dassault Systèmes, Société Générale, BMW, Sodexo and ASM I.

In June, the market swung between fears of a resurgence of inflation and enthusiasm about the absence of a recession. In the end, it was the upside that prevailed in a stable interest rate environment, The Euro Stoxx gained 3,81%. The fund (PC unit) underperformed slightly at +3,05%, despite its underexposure to agri-food and energy. It was also hurt by a negative stock-picking effect in construction and technology. On the other hand, it was underpinned by good stock picks in chemicals and financial services. Over the month, Aperam was affected by concerns about demand in Europe. Merck KGaA, Eiffage, Sampo and Sodexo also proved costly. Deutsche Telekom has also been affected by concerns about competition from Amazon in the United States. Conversely, Intesa SanPaolo, Société Générale, Saint-Gobain and Imerys made positive contributions. Lastly, the fund benefited from the absence of Bayer and Siemens Energy.



*In the third quarter of 2023, Lazard Equity SRI declined by 3,38% versus a decline of 4,19% for the Euro Stoxx net dividends reinvested (in euro).*

July was marked by further rate hikes of 25bp each by the ECB and the Fed. Core inflation excluding housing is easing in the United States, however. On the other hand, it was still up 5,5% in Europe and even by 6,9% in the United Kingdom. Brent crude also rose significantly, by almost 15% over the month. But in the end it was the scenario of a soft landing for global growth that was favoured by the markets, with the Euro Stoxx rising by 2,05%. Against this backdrop, our fund (PC unit) underperformed by 86bp, gaining only 1,19%.

Although our large underexposure to the utilities and agri-food sectors paid off, our stock picks in chemicals, technology, healthcare and basic resources proved costly. Imerys, which was hurt by a disappointing half-year earnings release marked by a significant fall in volumes, Sodexo, Orange and Kone were the main detractors from performance. Intesa Sanpaolo, Michelin, Saint-Gobain, which reported record results, and KBC all made positive contributions.

In August, starting from its 2023 high, the market began to decline, with a certain amount of thematic rotation. Technology in particular was the subject of sell-offs, notably following Adyen's disappointing results, which led to a spectacular fall in the share price on the day of publication. The dollar, which had bottomed out against the euro in July, edged up, while US interest rates rose more than European rates, given the resilience of the US economy compared with the European economy, which is beginning to weaken. The fund (PC unit) cushioned the blow and fell by 2,03%, significantly less than the market, compared with a 3,10% fall for the benchmark index. The portfolio was hurt by its selection in the banking sector and its underexposure to the energy and utilities sectors. On the other hand, it benefited from a good allocation to insurance and industrial goods. On an individual stock basis, the main detractors from August's performance were KBC, Alstom, Koné, BMW, Deutsche Boerse and Intesa. The main positive contributors in August were Société Générale, Sodexo, Munich Re, Merck KGaA, Allianz and Air Liquide, as well as the absence of ASML.

In September, equity markets finally buckled under the combined effect of the ongoing rise in interest rates and increasingly cautious messages from companies, particularly in the electronics and construction sectors, partly linked to the situation in China. The firm announcements by the Fed and the ECB have pushed the US 10-year yield up from 4,1% to 4,6% and the Bund 10-year yield from 2,5% to 2,8%. The dollar continued to climb, rising from 1,08 to 1,05 against the euro. Against this backdrop, the Euro Stoxx fell by 3,12% and the fund (PC share) significantly outperformed, with a fall of 2,54%. It was also hurt by negative stock picks in banks and basic resources and too low exposure to energy, as well as declines in Société Générale, Alstom, Imerys, Akzo Nobel, Kerry Group and Carrefour. But this was more than offset by insurance, consumer goods and telecoms, among others, as well as by the strong outperformance of Orange, Sanofi, Munich Re, BNP Paribas, Deutsche Telekom, Aperam, Vinci and Deutsche Boerse.

**Main changes in the portfolio during the year**

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EU SHRT TRM MONEY M-C	165 550 839,57	159 682 464,57
ASML HOLDING NV	17 807 967,99	13 577 348,74
LVMH MOET HENNESSY LOUIS VUI	11 886 837,74	8 055 205,29
BNP PARIBAS	10 296 716,55	9 632 465,95
STMICROELECTRONICS NV	10 765 334,25	7 695 573,70
SOCIETE GENERALE SA	9 661 713,70	8 742 730,10
SIEMENS AG-REG	6 330 862,05	10 202 525,95
ASM INTERNATIONAL NV	6 510 049,92	8 414 426,48
TOTALENERGIES SE	6 827 750,00	7 602 107,10
IMERYS SA	6 326 657,03	7 815 739,08

## 4. REGULATORY INFORMATION

### EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVE FINANCIAL INSTRUMENTS (ESMA) IN EUROS

#### a) Exposure through efficient portfolio management techniques and derivative financial instruments

- **Exposure through efficient management techniques: None.**
  - Securities lending:
  - Securities borrowing:
  - Repurchase agreements:
  - Reverse repurchase agreements:
  
- **Underlying exposure through derivative financial instruments: None.**
  - Currency forwards:
  - Futures:
  - Options:
  - Swaps:

#### b) Identity of the counterparty or counterparties for efficient portfolio management techniques and derivative financial instruments

Efficient portfolio management techniques	Derivative financial instruments (*)
None	None

(\*) Excluding listed derivatives

c) Financial guarantees received by the UCITS to reduce counterparty risk

Instrument type	Amount in the currency of the portfolio
<b>Efficient portfolio management techniques</b> . Term deposits . Equities . Bonds . UCITS . Cash (*) <b>Total</b>	<b>None</b>
<b>Derivative financial instruments</b> . Term deposits . Equities . Bonds . UCITS . Cash <b>Total</b>	<b>None</b>

(\*) The Cash account also includes liquidity from reverse repurchase agreements.

d) Operating income and expenses related to efficient management techniques

Operating income and expenses	Amount in the currency of the portfolio
. Income (*) . Other income <b>Total income</b>	<b>None</b>
. Direct operating expenses . Indirect operating expenses . Other expenses <b>Total expenses</b>	<b>None</b>

(\*) Income on securities lending and repurchase agreements

## **TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND THE REUSE OF FINANCIAL INSTRUMENTS – SFTR – IN THE ACCOUNTING CURRENCY OF THE UCI (€)**

The UCI carried out no transactions during the year in the context of the SFTR.

### **PROCEDURE FOR SELECTING AND ASSESSING INTERMEDIARIES AND COUNTERPARTIES**

The brokers used by the management company are selected on the basis of various evaluation criteria, covering research, quality of order execution and processing and the range of services offered. The management company's "Broker Committee" validates any updates to the list of authorised brokers. Each investment division (fixed income and equities) reports to the Broker Committee at least twice a year on the evaluation of the services provided by the various brokers and the breakdown of the volume of transactions handled.

The information can be consulted on the management company's website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### **BROKERAGE FEES**

Information about brokerage fees is available on the website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### **EXERCISING VOTING RIGHTS**

The scope and procedures for Lazard Frères Gestion SAS' exercise of the voting rights attached to the securities held in the UCIs managed by it are set out in the guidelines it has drawn up on its voting policy. This document can be consulted on the management company's website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### **DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA**

Lazard Frères Gestion firmly believes that the integration of environmental, social and governance (ESG) criteria in the management of assets provides an additional guarantee in terms of a durable economic performance.

The long-term performance of investments is not limited solely to the consideration of the financial strategy, but must also take into account the company's interactions with its social, economic and financial environment.

The incorporation of ESG criteria therefore is a natural component of our investment process.

Our overall approach can be summarised as follows:

- ✓ Rigorous financial analysis of the company covering the quality of assets, financial soundness, projected cash flows and their reinvestment by the company, the strength of economic profits, profit durability, and quality of management.
- ✓ This durability is strengthened by incorporating non-financial criteria:
  - Social criteria: through the development of human capital.
  - Environmental criteria: through the prevention of all environmental risks.
  - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

The intensity and methods by which we incorporate ESG criteria may vary depending on the asset class and investment process involved, but the common objective is to ensure better apprehension of ESG risks that are likely to have a strong impact on the value of a company or sovereign asset.

Information on ESG criteria is available on the website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

### **SFDR AND TAXONOMY**

#### **Article 8**

Pursuant to Article 50 of the SFDR Level 2 Delegated Regulation, information on the attainment of the environmental or social characteristics promoted by the financial product is available in the appendix to this report.

## ART 29: ENERGY AND CLIMATE LAW (LEC)

Information concerning Article 29 LEC will be available on the Lazard Frères Gestion website,

[https://www.lazardfreresgestion.fr/FR/Fonds\\_71.html](https://www.lazardfreresgestion.fr/FR/Fonds_71.html)

## USE OF FINANCIAL INSTRUMENTS MANAGED BY THE MANAGEMENT COMPANY OR AN AFFILIATED COMPANY

The table of financial instruments managed by the management company or an affiliated company can be found in the notes to the UCI's annual financial statements.

## METHOD USED TO CALCULATE GLOBAL RISK

The Fund uses the commitment method to calculate its global risk on financial contracts.

## PEA employee savings fund

Pursuant to the provisions of Article 91, quater L Appendix 2 of the French General Tax Code, a minimum of 75% of the Fund/SICAV is permanently invested in the securities and rights mentioned in points a, b and c, section 1°, I of Article L. 221-31 of the French Monetary and Financial Code.

Proportion actually invested during the financial year: **96,07%**.

## INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE

Pursuant to the provisions of Article 41 sexdecies H of the French General Tax Code, income on distributing shares is subject to an allowance of 40%.

## REMUNERATION

The fixed and variable remuneration paid during the financial year ended on December 31st, 2022 by the management company to its personnel, in proportion to their investment in the management of the UCITS, excluding the management of the AIFs and discretionary mandates, can be obtained on request by post from the legal department of Lazard Frères Gestion, and are included in the company's annual report.

The total variable remuneration is set by the Lazard Group based on different criteria, including the Lazard Group's financial performance over the past year, taking into account the results of Lazard Frères Gestion.

The total amount of variable compensation should not hinder the ability of the Lazard Group and Lazard Frères Gestion to strengthen their capital base as needed.

The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components.

All risks and conflicts of interest are incorporated into the calculation of the variable remuneration.

It is then individualised and determined partly based on the performance of each identified member of staff.

The remuneration policy is reviewed annually.

Each year, Lazard Frères Gestion's Remuneration Policy Compliance Monitoring Committee, which also has two members independent from the management company, is responsible for issuing an opinion on the proper application of the remuneration policy and its compliance with applicable regulations.

### Population at 31/12/2022: Fixed-term and permanent contracts of LFG, LFG Luxembourg and LFG Belgique (therefore excluding interns and apprentices and excluding LFG Courtage)

Headcount at December 31st, 2022 LFG - LFG Belgique – LFG Luxembourg	Fixed annual remuneration 2022 in €	Variable remuneration for 2022 (cash paid in 2023 and deferred allocated in 2023) in €
205	20 102 615	29 964 115

**“Identified employees”**

<b>Category</b>	<b>Number of employees</b>	<b>2022 aggregate fixed and variable remuneration (annual salaries and cash and deferred bonuses)</b>
Senior management	3	5 848 796
Other	61	28 469 324
<b>Total</b>	<b>64</b>	<b>34 318 120</b>

*Note: the amounts are stated excluding charges*

**OTHER INFORMATION**

The UCI's full prospectus and the most recent annual and interim reports will be sent out within one week of request in writing by shareholders to:

LAZARD FRERES GESTION SAS  
25, Rue de Courcelles – 75008 Paris, France

[www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

## 5. CERTIFICATION BY THE STATUTORY AUDITOR



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## 6. ANNUAL FINANCIAL STATEMENTS

### BALANCE SHEET AS Of 29/09/2023 in euros

#### ASSETS

	29/09/2023	30/09/2022
<b>NET NON-CURRENT ASSETS</b>		
<b>DEPOSITS</b>		
<b>FINANCIAL INSTRUMENTS</b>	<b>501 269 489,44</b>	<b>368 149 184,38</b>
<b>Equities and similar securities</b>	<b>482 960 126,11</b>	<b>356 207 629,99</b>
Traded on a regulated or equivalent market	482 960 126,11	356 207 629,99
Not traded on a regulated or equivalent market		
<b>Bonds and similar securities</b>		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
<b>Debt securities</b>		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
<b>Undertakings for collective investment</b>	<b>18 309 363,33</b>	<b>11 941 554,39</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	18 309 363,33	11 941 554,39
Other funds aimed at non-professionals and their equivalent in other EU Member States		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
<b>Temporary securities transactions</b>		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
<b>Forward financial instruments</b>		
Transactions on a regulated or equivalent market		
Other transactions		
<b>Other financial instruments</b>		
<b>RECEIVABLES</b>	<b>1 840 147,33</b>	<b>2 231 053,58</b>
Currency forward exchange transactions		
Other	1 840 147,33	2 231 053,58
<b>FINANCIAL ACCOUNTS</b>	<b>897 993,99</b>	<b>250 990,45</b>
Cash and cash equivalents	897 993,99	250 990,45
<b>TOTAL ASSETS</b>	<b>504 007 630,76</b>	<b>370 631 228,41</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	29/09/2023	30/09/2022
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	452 818 523,76	323 716 045,04
Undistributed net capital gains and losses recognised in previous years (a)	16 889 307,63	22 434 914,32
Retained earnings (a)	113,85	216,14
Net capital gains and losses for the year (a, b)	24 410 763,96	12 313 077,59
Net income for the year (a, b)	8 618 626,61	8 468 872,63
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>502 737 335,81</b>	<b>366 933 125,72</b>
<i>* Sum representing the net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>		
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
<b>LIABILITIES</b>	<b>1 270 294,95</b>	<b>3 698 102,64</b>
Currency forward exchange transactions		
Other	1 270 294,95	3 698 102,64
<b>FINANCIAL ACCOUNTS</b>		<b>0,05</b>
Bank overdrafts		0,05
Borrowings		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>504 007 630,76</b>	<b>370 631 228,41</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year

**OFF-BALANCE SHEET ITEMS AS AT 29/09/2023 *in euros***

	29/09/2023	30/09/2022
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

**INCOME STATEMENT AT 29/09/2023 in euros**

	29/09/2023	30/09/2022
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	8 748,58	
Income from equities and similar securities	11 862 277,49	13 364 930,49
Income from bonds and similar securities		
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
<b>TOTAL (1)</b>	<b>11 871 026,07</b>	<b>13 364 930,49</b>
<b>Expenses related to financial transactions</b>		
Expenses related to temporary purchases and sales of securities		
Expenses related to forward financial instruments		
Expenses related to financial liabilities		3 186,18
Other financial charges		
<b>TOTAL (2)</b>		<b>3 186,18</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>11 871 026,07</b>	<b>13 361 744,31</b>
Other income (3)		
Management fees and depreciation and amortisation (4)	4 622 089,81	4 457 447,42
<b>NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>7 248 936,26</b>	<b>8 904 296,89</b>
Income adjustment for the financial year (5)	1 369 690,35	-435 424,26
Interim dividends paid on net income for the financial year (6)		
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>8 618 626,61</b>	<b>8 468 872,63</b>

## 1. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01, as amended, of the French accounting standards body (Autorité des Normes Comptables - ANC).

The general accounting principles apply:

- true and fair view, comparability, business continuity,
- regularity, sincerity,
- prudence,
- consistency of accounting methods from one financial year to the next.

Income from fixed-income securities is recorded on the basis of accrued interest.

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

### Asset valuation rules

Financial instruments and securities traded on a regulated market are valued at their market price.

- **Shares and similar securities** are valued on the basis of the last known price on their main market. If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

- **Fixed-income securities:**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)<sup>®</sup> derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

- **Bonds and similar instruments** are valued on the basis of the average of the closing prices gathered from several contributors.

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price, for which the shareholders' meeting is responsible.

These estimates and their supporting documentation will be provided to the statutory auditor during audits.

However, the following instruments are valued using the following specific methods:

- **Negotiable debt securities:**

Negotiable debt securities are marked to market based on either Bloomberg prices (BVAL and/or BGN)<sup>®</sup> derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

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

○ **UCIs:**

Units or shares of UCIs are valued at the last known net asset value.

Units or shares of UCIs for which NAVs are published monthly may be valued on the basis of interim NAVs calculated from estimated prices.

○ **Temporary purchases and sales of securities:**

Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (€STR, one- or two-week interbank rates, one- to 12-month EURIBOR) corresponding to the term of the contract.

Securities sold under repurchase agreements continue to be valued at their market price. Liabilities on securities sold under repurchase agreements are calculated using the same method as that used for securities purchased under repurchase agreements.

○ **Futures and options:**

Futures and options are valued on the basis of intraday trading prices the timing of which is based on that of the valuation of the underlying assets.

Positions taken on the futures or options markets and over the counter are valued at their market price or at the value of the equivalent underlying asset.

➤ **Financial instruments and securities not traded on a regulated market**

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

➤ **Valuation methods for off-balance sheet commitments**

Off-balance sheet transactions are valued at the commitment value.

The commitment value for futures contracts is equal to the price (in the UCI's currency) multiplied by the number of contracts multiplied by the face value.

The commitment value for options is equal to the price of the underlying security (in the UCI's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.

The commitment value for swaps is equal to the face value of the contract (in the UCI's currency).

## **Management fees**

Management fees are calculated on each valuation day.

The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) using the following formula:

$$\frac{\text{Gross assets} \times \text{operating and management fees rate} \times \text{no. of days between the calculated NAV and the previous NAV}}{365 \text{ (or 366 in a leap year)}}$$

The Management company pays the Fund's operating fees, including for:

- . financial management;
- . administration and accounting;
- . custody services;
- . other operating fees:
- . statutory auditors' fees;
- . legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

The fees break down as follows, as set out in the regulations:

<b>Costs charged to the UCI</b>	<b>Basis</b>	<b>Share</b>	<b>Rate (Maximum incl. taxes)</b>
Financial management fees	Net assets	PC EUR shares PD EUR shares RC EUR shares RD EUR shares RC H-USD shares RC H-CHF shares UC EUR shares UC H-USD shares UC H-GBP shares UC H-CHF shares	1,08% 1,08% 2,00% 2,00% 2,00% 2,00% 0,815% 0,865% 0,865% 0,865%
Administrative fees external to the management company	Net assets	Applied to all shares	0,035%
Indirect charges (management fees and expenses)	NA	Applied to all shares	None
Turnover commission (0 to 100% received by the management company and 0 to 100% received by the custodian)	Maximum charge on each transaction	Applied to all shares  Applied to all shares	Equities, foreign exchange: From 0% to 0,20%  Futures: None
Performance fee	Net assets	PC EUR, PD EUR, RC EUR, RD EUR, RC H-USD, RC H-CHF, UC EUR, UC H-USD, UC H-GBP, UC H-CHF	None

The method used to calculate retrocession amounts is set out in the sales and marketing agreements.

- If the amount is significant, a provision is recognised in account 61719.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

#### **Allocation of distributable income**

##### **Definition of distributable income:**

Distributable income consists of:

##### **Net income:**

net income plus retained earnings, plus or minus the balance of the revenue adjustment account.

Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, remuneration and all income generated by the securities that make up the UCI's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.



**Capital gains and losses:**

Realised capital gains, net of expenses, less realised capital losses, net of expenses, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

**Allocation of distributable income:**

<i>Share(s)</i>	<i>Allocation of net income</i>	<i>Allocation of net realised capital gains or losses</i>
LAZARD EQUITY SRI PC EUR shares	Accumulation	Accumulation
LAZARD EQUITY SRI PD EUR shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD EQUITY SRI RC EUR shares	Accumulation	Accumulation
LAZARD EQUITY SRI RD EUR shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD EQUITY SRI UC EUR shares	Accumulation	Accumulation

## 2. CHANGE IN NET ASSETS AT 29/09/2023 in euros

	29/09/2023	30/09/2022
<b>NET ASSETS AT START OF YEAR</b>	<b>366 933 125,72</b>	<b>267 321 981,15</b>
Subscriptions (including subscription fees retained by the Fund)	252 800 039,71	325 563 321,12
Redemptions (net of redemption fees retained by the Fund)	-213 826 746,41	-165 964 291,80
Realised capital gains on deposits and financial instruments	30 039 087,34	20 717 153,83
Realised capital losses on deposits and financial instruments	-5 729 967,06	-6 645 439,20
Realised capital gains on forward financial instruments		
Realised capital losses on forward financial instruments		
Transaction charges	-3 076 160,09	-2 805 235,26
Exchange rate differences		735 820,00
Changes in valuation difference of deposits and financial instruments	70 149 869,20	-79 715 101,78
<i>Valuation difference for financial year N</i>	26 218 999,54	-43 930 869,66
<i>Valuation difference for financial year N-1</i>	43 930 869,66	-35 784 232,12
Changes in valuation difference of forward financial instruments		
<i>Valuation difference for financial year N</i>		
<i>Valuation difference for financial year N-1</i>		
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year	-1 800 848,86	-1 179 379,23
Net profit/loss for the financial year prior to income adjustment	7 248 936,26	8 904 296,89
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items		
<b>NET ASSETS AT END OF YEAR</b>	<b>502 737 335,81</b>	<b>366 933 125,72</b>

### 3. ADDITIONAL INFORMATION

#### 3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount	%
<b>ASSETS</b>		
<b>BONDS AND SIMILAR SECURITIES</b>		
TOTAL BONDS AND SIMILAR SECURITIES		
<b>DEBT SECURITIES</b>		
TOTAL DEBT SECURITIES		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SALES OF FINANCIAL INSTRUMENTS</b>		
TOTAL SALES OF FINANCIAL INSTRUMENTS		
<b>OFF-BALANCE SHEET</b>		
<b>HEDGING TRANSACTIONS</b>		
TOTAL HEDGING TRANSACTIONS		
<b>OTHER TRANSACTIONS</b>		
TOTAL OTHER TRANSACTIONS		

#### 3.2. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>ASSETS</b>								
Deposits								
Bonds and similar securities								
Debt securities								
Temporary securities transactions								
Financial accounts							897 993,99	0,18
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Temporary securities transactions								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions								
Other transactions								

### 3.3. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY (\*)

	< 3 months	%	]3 months-1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>ASSETS</b>										
Deposits										
Bonds and similar securities										
Debt securities										
Temporary securities transactions										
Financial accounts	897 993,99	0.18								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
Temporary securities transactions										
Financial accounts										
<b>OFF-BALANCE SHEET</b>										
Hedging transactions										
Other transactions										

(\*) Forward interest rate positions are presented according to the maturity of the underlying.

### 3.4. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY (EXCLUDING EUR)

	Currency 1		Currency 2		Currency 3		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
Deposits								
Equities and similar securities								
Bonds and similar securities								
Debt securities								
UCI								
Temporary securities transactions								
Receivables								
Financial accounts								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions								
Other transactions								

### 3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	29/09/2023
<b>RECEIVABLES</b>		
	Deferred settlement sale	1 168 956,77
	Subscription receivables	502 026,56
	Coupons and dividends in cash	169 164,00
<b>TOTAL RECEIVABLES</b>		<b>1 840 147,33</b>
<b>LIABILITIES</b>		
	Deferred settlement purchase	630 169,08
	Redemptions payable	200 021,09
	Fixed management fees	440 104,78
<b>TOTAL LIABILITIES</b>		<b>1 270 294,95</b>
<b>TOTAL LIABILITIES AND RECEIVABLES</b>		<b>569 852,38</b>

### 3.6. SHAREHOLDERS' EQUITY

#### 3.6.1. Number of securities issued or redeemed

	In equity	In amounts
<b>LAZARD EQUITY SRI PC EUR shares</b>		
Shares subscribed during the financial year	43 174,513	98 861 939,99
Shares redeemed during the financial year	-56 235,243	-129 936 193,28
Net balance of subscriptions/redemptions	-13 060,730	-31 074 253,29
Number of shares outstanding at the end of the financial year	100 502,662	
<b>LAZARD EQUITY SRI PD EUR shares</b>		
Shares subscribed during the financial year	4 285,621	7 137 974,61
Shares redeemed during the financial year	-26 851,467	-45 181 827,20
Net balance of subscriptions/redemptions	-22 565,846	-38 043 852,59
Number of shares outstanding at the end of the financial year	43 681,513	
<b>LAZARD EQUITY SRI RC EUR shares</b>		
Shares subscribed during the financial year	23 263,619	31 075 680,03
Shares redeemed during the financial year	-2 861,225	-3 684 285,61
Net balance of subscriptions/redemptions	20 402,394	27 391 394,42
Number of shares outstanding at the end of the financial year	27 463,004	
<b>LAZARD EQUITY SRI RD EUR shares</b>		
Shares subscribed during the financial year	149,000	189 190,31
Shares redeemed during the financial year	-7,000	-8 994,12
Net balance of subscriptions/redemptions	142,000	180 196,19
Number of shares outstanding at the end of the financial year	282,000	
<b>LAZARD EQUITY SRI UC EUR shares</b>		
Shares subscribed during the financial year	8 227,943	115 535 254,77
Shares redeemed during the financial year	-2 580,408	-35 015 446,20
Net balance of subscriptions/redemptions	5 647,535	80 519 808,57
Number of shares outstanding at the end of the financial year	10 920,329	

**3.6.2. Subscription and/or redemption fees**

	In amounts
<b>LAZARD EQUITY SRI PC EUR shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	
<b>LAZARD EQUITY SRI PD EUR shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	
<b>LAZARD EQUITY SRI RC EUR shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	
<b>LAZARD EQUITY SRI RD EUR shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	
<b>LAZARD EQUITY SRI UC EUR shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	

### 3.7. MANAGEMENT FEES

	29/09/2023
<b>LAZARD EQUITY SRI PC EUR shares</b>	
Guarantee fees	
Fixed management fees	2 713 692,81
Percentage of fixed management fees	1,12
Retrocessions of management fees	
<b>LAZARD EQUITY SRI PD EUR shares</b>	
Guarantee fees	
Fixed management fees	966 328,15
Percentage of fixed management fees	1,12
Retrocessions of management fees	
<b>LAZARD EQUITY SRI RC EUR shares</b>	
Guarantee fees	
Fixed management fees	266 039,32
Percentage of fixed management fees	1,94
Retrocessions of management fees	
<b>LAZARD EQUITY SRI RD EUR shares</b>	
Guarantee fees	
Fixed management fees	4 722,98
Percentage of fixed management fees	1,95
Retrocessions of management fees	
<b>LAZARD EQUITY SRI UC EUR shares</b>	
Guarantee fees	
Fixed management fees	671 306,55
Percentage of fixed management fees	0,71
Retrocessions of management fees	

### 3.8. COMMITMENTS RECEIVED AND GIVEN

#### 3.8.1. Guarantees received by the Fund:

None.

#### 3.8.2. Other commitments received and/or given:

None.



### 3.9. OTHER INFORMATION

#### 3.9.1. Present value of financial instruments held temporarily

	29/09/2023
Securities held under repurchase agreements	
Borrowed securities	

#### 3.9.2. Present value of financial instruments representing security deposits

	29/09/2023
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

#### 3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Name	29/09/2023
Equities			
Bonds			
Negotiable debt securities			
UCI			18 309 363,33
	FR0011291657	LAZARD EU SHRT TRM MONEY M-C	15 460 420,50
	FR0012044535	LAZARD INNOVATION E	2 848 942,83
Forward financial instruments			
<b>Total group securities</b>			<b>18 309 363,33</b>

### 3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	29/09/2023	30/09/2022
<b>Remaining amounts to be allocated</b>		
Retained earnings	113,85	216,14
Net income	8 618 626,61	8 468 872,63
Interim dividends paid on net income for the financial year		
<b>Total</b>	<b>8 618 740,46</b>	<b>8 469 088,77</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI PC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	3 899 754,48	4 710 336,70
<b>Total</b>	<b>3 899 754,48</b>	<b>4 710 336,70</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI PD EUR shares</b>		
<b>Appropriation</b>		
Distribution	1 260 211,65	2 090 766,65
Balance brought forward for the financial year	150,48	171,88
Accumulation		
<b>Total</b>	<b>1 260 362,13</b>	<b>2 090 938,53</b>
<b>Information on units with dividend rights</b>		
Number of units	43 681,513	66 247,359
Dividend per unit	28,85	31,56
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of earnings</b>	<b>93 376,05</b>	<b>219 355,89</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI RC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	299 281,17	89 262,92
<b>Total</b>	<b>299 281,17</b>	<b>89 262,92</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI RD EUR shares</b>		
<b>Appropriation</b>		
Distribution	2 915,88	1 708,00
Balance brought forward for the financial year	2,08	0,40
Accumulation		
<b>Total</b>	<b>2 917,96</b>	<b>1 708,40</b>
<b>Information on units with dividend rights</b>		
Number of units	282,000	140,000
Dividend per unit	10,34	12,20
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of earnings</b>	<b>434,03</b>	<b>333,58</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI UC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	3 156 424,72	1 576 842,22
<b>Total</b>	<b>3 156 424,72</b>	<b>1 576 842,22</b>

**Table of appropriation of distributable amounts pertaining to net capital gains and losses**

	29/09/2023	30/09/2022
<b>Remaining amounts to be allocated</b>		
Undistributed net capital gains and losses recognised in previous years	16 889 307,63	22 434 914,32
Net capital gains and losses for the year	24 410 763,96	12 313 077,59
Interim dividends paid on net capital gains/losses for the financial year		
<b>Total</b>	<b>41 300 071,59</b>	<b>34 747 991,91</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI PC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	11 445 238,37	6 993 071,16
<b>Total</b>	<b>11 445 238,37</b>	<b>6 993 071,16</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI PD EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses	20 569 249,30	25 548 036,06
Accumulation		
<b>Total</b>	<b>20 569 249,30</b>	<b>25 548 036,06</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI RC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	1 765 450,73	248 490,75
<b>Total</b>	<b>1 765 450,73</b>	<b>248 490,75</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI RD EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses	61 051,73	21 696,38
Accumulation		
<b>Total</b>	<b>61 051,73</b>	<b>21 696,38</b>

	29/09/2023	30/09/2022
<b>LAZARD EQUITY SRI UC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	7 459 081,46	1 936 697,56
<b>Total</b>	<b>7 459 081,46</b>	<b>1 936 697,56</b>

**3.11. TABLE OF THE ENTITY'S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL YEARS**

	30/09/2019	30/09/2020	30/09/2021	30/09/2022	29/09/2023
<b>Global net assets in euros</b>	<b>181 034 547,37</b>	<b>171 460 386,42</b>	<b>267 321 981,15</b>	<b>366 933 125,72</b>	<b>502 737 335,81</b>
<b>Share LAZARD EQUITY SRI PC EUR shares in EUR</b>					
Net assets	148 388 866,92	139 547 132,61	188 987 690,87	208 721 607,09	235 729 649,17
Number of shares	85 189,741	87 183,287	89 027,136	113 563,392	100 502,662
Net asset value per unit	1 741,86	1 600,61	2 122,80	1 837,93	2 345,50
Accumulation per unit pertaining to net capital gains/losses	21,13	25,10	146,03	61,57	113,87
Accumulation per unit pertaining to income	42,98	13,24	23,10	41,47	38,80
<b>Share LAZARD EQUITY SRI PD EUR shares in EUR</b>					
Net assets	18 462 934,80	317 601,78	1 252 130,01	92 714 065,99	76 508 338,51
Number of shares	13 366,456	256,132	766,830	66 247,359	43 681,513
Net asset value per unit	1 381,28	1 239,99	1 632,86	1 399,51	1 751,50
net capital gains/losses per share not distributed	206,16	225,97	338,39	385,64	470,89
Distribution of income per share:	34,17	10,19	17,77	31,56	28,85
Tax credit per share	3,501	2,25	0,016	3,848	(*)
<b>Share LAZARD EQUITY SRI RC EUR shares in EUR</b>					
Net assets	106 335,74	427 430,09	10 581 502,61	7 362 339,37	36 235 337,56
Number of shares	104,997	462,681	8 705,542	7 060,610	27 463,004
Net asset value per unit	1 012,75	923,81	1 215,49	1 042,73	1 319,42
Accumulation per unit pertaining to net capital gains/losses	12,34	14,53	83,87	35,19	64,28
Accumulation per unit pertaining to income	17,98	0,55	4,23	12,64	10,89

	30/09/2019	30/09/2020	30/09/2021	30/09/2022	29/09/2023
<b>Share LAZARD EQUITY SRI RD EUR shares in EUR</b>					
Net assets	21 962,69	80 597,59	70 664,63	140 994,15	355 624,59
Number of shares	22,000	90,000	60,000	140,000	282,000
Net asset value per unit	998,30	895,52	1 177,74	1 007,10	1 261,08
net capital gains/losses per share not distributed	25,35	39,63	120,90	154,97	216,49
Distribution of income per share:	17,72	0,47	4,09	12,20	10,34
Tax credit per share	1,05	0,22	0,537	2,111	(*)
<b>Share LAZARD EQUITY SRI UC EUR shares in EUR</b>					
Net assets	14 054 447,22	31 087 624,35	66 429 993,03	57 994 119,12	153 908 385,98
Number of shares	1 366,102	3 273,624	5 250,730	5 272,794	10 920,329
Net asset value per unit	10 287,99	9 496,39	12 651,57	10 998,74	14 093,74
Accumulation per unit pertaining to net capital gains/losses	124,45	148,65	869,00	367,30	683,04
Accumulation per unit pertaining to income	297,11	122,95	190,06	299,05	289,04

\* Tax credit per unit will only be calculated on the distribution date, in accordance with applicable tax regulations.

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS *in euros*

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Equities and similar securities</b>				
<b>Equities and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
ALLIANZ SE-REG	EUR	80 950	18 270 415,00	3,63
BAYERISCHE MOTOREN WERKE AG	EUR	73 830	7 115 735,40	1,41
CONTINENTAL AG	EUR	69 420	4 634 479,20	0,92
DEUTSCHE BOERSE AG	EUR	76 180	12 470 666,00	2,48
DEUTSCHE TELEKOM AG-REG	EUR	873 970	17 364 035,96	3,45
MERCK KGAA	EUR	70 415	11 136 132,25	2,22
MUENCHENER RUECKVER AG-REG	EUR	38 100	14 062 710,00	2,80
SAP SE	EUR	162 085	19 907 279,70	3,96
SIEMENS AG-REG	EUR	59 540	8 077 196,40	1,61
<b>TOTAL GERMANY</b>			<b>113 038 649,91</b>	<b>22,48</b>
<b>BELGIUM</b>				
KBC GROUP NV	EUR	182 290	10 780 630,60	2,14
UCB SA	EUR	91 590	7 101 888,60	1,42
<b>TOTAL BELGIUM</b>			<b>17 882 519,20</b>	<b>3,56</b>
<b>FINLAND</b>				
KONE OYJ-B	EUR	217 240	8 672 220,80	1,73
SAMPO OYJ-A SHS	EUR	161 230	6 607 205,40	1,31
<b>TOTAL FINLAND</b>			<b>15 279 426,20</b>	<b>3,04</b>
<b>FRANCE</b>				
AIR LIQUIDE SA	EUR	103 120	16 482 700,80	3,28
AIR LIQUIDE SA-PF	EUR	2	319,68	
ALSTOM	EUR	374 800	8 470 480,00	1,68
AMUNDI SA	EUR	133 830	7 139 830,50	1,42
AXA SA	EUR	467 770	13 181 758,60	2,63
BNP PARIBAS	EUR	284 000	17 162 120,00	3,41
BUREAU VERITAS SA	EUR	401 080	9 429 390,80	1,87
CAPGEMINI SE	EUR	40 690	6 746 402,00	1,34
CARREFOUR SA	EUR	525 765	8 562 083,03	1,71
COMPAGNIE DE SAINT GOBAIN	EUR	151 750	8 631 540,00	1,72
DASSAULT SYSTEMES SE	EUR	152 210	5 372 251,95	1,07
EDENRED	EUR	84 840	5 029 315,20	1,00
EIFFAGE	EUR	100 290	9 030 111,60	1,80
ESSILORLUXOTTICA	EUR	86 535	14 292 120,60	2,84
IMERYS SA	EUR	292 710	8 195 880,00	1,63
L'OREAL	EUR	37 275	14 656 530,00	2,92
L'OREAL SA-PF	EUR	1	393,20	
LVMH MOET HENNESSY LOUIS VUI	EUR	29 715	21 287 826,00	4,23
MICHELIN (CGDE)	EUR	322 700	9 380 889,00	1,86
ORANGE	EUR	956 120	10 383 463,20	2,07
PUBLICIS GROUPE	EUR	152 580	10 949 140,80	2,18
SANOFI	EUR	218 480	22 171 350,40	4,41
SOCIETE GENERALE SA	EUR	487 280	11 229 367,60	2,24
SODEXO SA	EUR	88 210	8 602 239,20	1,71
TOTALENERGIES SE	EUR	224 600	13 994 826,00	2,78
VINCI SA	EUR	127 060	13 343 841,20	2,65
<b>TOTAL FRANCE</b>			<b>273 726 171,36</b>	<b>54,45</b>



### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS *in euros*

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>IRELAND</b>				
KERRY GROUP PLC-A	EUR	80 070	6 339 942,60	1,26
<b>TOTAL IRELAND</b>			<b>6 339 942,60</b>	<b>1,26</b>
<b>ITALY</b>				
ENI SPA	EUR	389 990	5 949 687,44	1,18
INTESA SANPAOLO	EUR	4 632 020	11 302 128,80	2,25
<b>TOTAL ITALY</b>			<b>17 251 816,24</b>	<b>3,43</b>
<b>LUXEMBOURG</b>				
APERAM	EUR	142 560	3 934 656,00	0,78
<b>TOTAL LUXEMBOURG</b>			<b>3 934 656,00</b>	<b>0,78</b>
<b>NETHERLANDS</b>				
ASML HOLDING NV	EUR	49 355	27 594 380,50	5,49
<b>TOTAL NETHERLANDS</b>			<b>27 594 380,50</b>	<b>5,49</b>
<b>SWITZERLAND</b>				
STMICROELECTRONICS NV	EUR	193 060	7 912 564,10	1,58
<b>TOTAL SWITZERLAND</b>			<b>7 912 564,10</b>	<b>1,58</b>
<b>TOTAL Equities and similar securities traded on a regulated or similar market</b>			<b>482 960 126,11</b>	<b>96,07</b>
<b>TOTAL Equities and similar securities</b>			<b>482 960 126,11</b>	<b>96,07</b>
<b>Undertakings for collective investment</b>				
<b>General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>				
<b>FRANCE</b>				
LAZARD EU SHRT TRM MONEY M-C	EUR	7 650	15 460 420,50	3,08
LAZARD INNOVATION E	EUR	13 403,636	2 848 942,83	0,56
<b>TOTAL FRANCE</b>			<b>18 309 363,33</b>	<b>3,64</b>
<b>TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>			<b>18 309 363,33</b>	<b>3,64</b>
<b>TOTAL Undertakings for collective investment</b>			<b>18 309 363,33</b>	<b>3,64</b>
<b>Receivables</b>			<b>1 840 147,33</b>	<b>0,36</b>
<b>Liabilities</b>			<b>-1 270 294,95</b>	<b>-0,25</b>
<b>Financial accounts</b>			<b>897 993,99</b>	<b>0,18</b>
<b>Net assets</b>			<b>502 737 335,81</b>	<b>100,00</b>

LAZARD EQUITY SRI PD EUR shares	EUR	43 681,513	1 751,50
LAZARD EQUITY SRI RD EUR shares	EUR	282,000	1 261,08
LAZARD EQUITY SRI RC EUR shares	EUR	27 463,004	1 319,42
LAZARD EQUITY SRI PC EUR shares	EUR	100 502,662	2 345,50
LAZARD EQUITY SRI UC EUR shares	EUR	10 920,329	14 093,74

## ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS

Breakdown of interest: LAZARD EQUITY SRI PD EUR shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax				
Equities eligible for a tax allowance and subject to non-definitive withholding tax	1 260 211,65	EUR	28,85	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	1 260 211,65	EUR	28,85	EUR

Breakdown of interest: LAZARD EQUITY SRI RD EUR shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax				
Equities eligible for a tax allowance and subject to non-definitive withholding tax	2 915,88	EUR	10,34	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	2 915,88	EUR	10,34	EUR

## TEXT OF RESOLUTIONS

### LAZARD EQUITY SRI

French open-end investment company (*société d'investissement à capital variable*)

Registered office: 10, avenue Percier, 75008 Paris

Paris Trade and Companies Register No. 438 703 050

### RESOLUTION ON THE ALLOCATION OF DISTRIBUTABLE INCOME PROPOSED TO THE SHAREHOLDERS' MEETING

FINANCIAL YEAR ENDED SEPTEMBER 29TH, 2023

#### Second resolution

The Shareholders' Meeting approves the distributable income for the financial year, which amounts to:

**8 618 740,46 €** Distributable income relating to net income

**41 300 071,59 €** Distributable income relating to net capital gains and losses

and decides that they shall be allocated as follows:

1. Distributable amount relating to net income

- PC shares: **Accumulation: 3 899 754,48 €**
- UC shares: **Accumulation: 3 156 424,72 €**
- RC shares: **Accumulation: 299 281,17 €**
- PD shares: **Distribution: 1 260 211,65 €**
- PD shares: **Retained: 150,48 €**
- RD shares: **Distribution: 2 915,88 €**
- RD shares: **Retained: 2,08 €**

a) Each shareholder holding "PD" shares on the detachment date will receive a dividend of **28,85 €** which will be detached on: **20/12/2023** and paid on: **22/12/2023**.

b) Each shareholder holding "RD" shares on the detachment date will receive a dividend of **10,34 €** which will be detached on: **20/12/2023** and paid on: **22/12/2023**.

2. Distributable amount pertaining to net capital gains and losses

- PC shares: **Accumulation: 11 445 238,37 €**
- UC shares: **Accumulation: 7 459 081,46 €**
- RC shares: **Accumulation: 1 765 450,73 €**
- PD shares: **Retained: 20,569,249,30 €**
- RD shares: **Retained: 61 051,73 €**

#### For information: Dividends paid over the last five financial years

Year ended:	Amount per unit/share
as at 29 September 2023	10,34 € share class "RD"
at September 30th, 2022	12,20 € share category "RD"
at September 30th, 2021	4,09 € share category "RD"
at September 30th, 2020	0,47 € share category "RD"
at September 30th, 2019	17,72 € share category "RD"
as at 29 September 2023	28,85 € share category "PD"
at September 30th, 2022	31,56 € share category "PD"
at September 30th, 2021	17,77 € share category "PD"
at September 30th, 2020	10,19 € share category "PD"
at September 30th, 2019	34,17 € share category "PD"

## 7. APPENDIX(ES)

# Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** LAZARD EQUITY SRI

**Legal entity identifier:** 969500RSED26UP4SLS75

## Environmental and/or social characteristics

### Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU taxonomy** is a classification system laid down in Regulation (EU) 2020/852

establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective:**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made a minimum of **sustainable investments with a social objective**

No

It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 85,06% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the product are attained.

## To what extent were the environmental and/or social characteristics promoted by this financial product met?

In implementing its investment strategy, security analysis, and ESG integration process described below, the portfolio promotes the following environmental characteristics:

### Environmental policy:

- Integration by companies of environmental factors appropriate to the sector, geographic location and any other relevant material factor
- Development of an environmental management strategy and system
- Development of a climate strategy

### Controlling environmental impacts:

- Limiting and adapting to global warming
- Responsible water and waste management
- Preservation of biodiversity

### Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

Moreover, the portfolio promotes the following social characteristics:

### Respect for human rights:

- Prevention of situations of human rights violations
- Respect for the right to safety and security of persons
- Privacy and data protection

### Human resources management:

- Constructive social dialogue
- Training and career management conducive to human development
- Promoting diversity
- Health, safety and well-being at work

### Value chain management:

- Responsible supply chain management
- Product quality, safety and traceability

This product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

### ● ***How did the sustainability indicators perform?***

The achievement of the environmental and social characteristics promoted by this product is measured by sustainability indicators at several levels:

In terms of valuation in the internal analysis model: The ESG analysis of directly held securities is based on a proprietary model that relies on an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agencies, external service providers, etc.), the annual reports of the companies and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG rating.

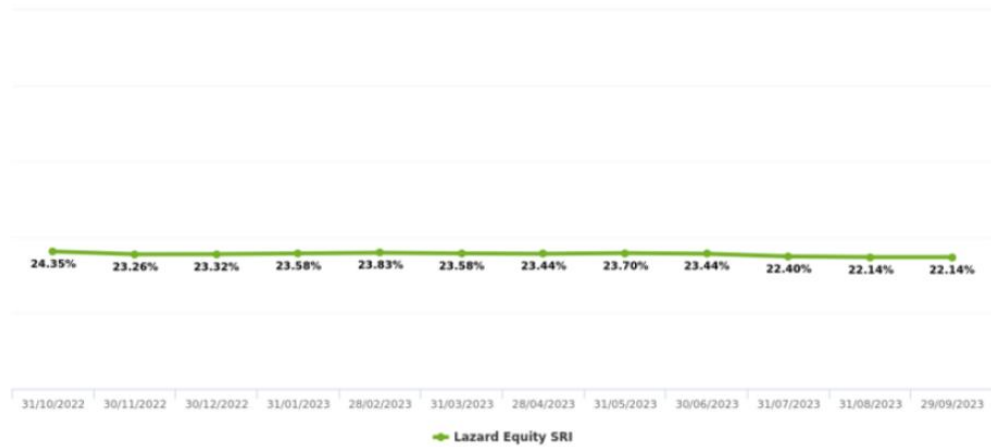
This rating is based on both a quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative approach (solidity of environmental policy, employment strategy, competence of directors, etc.).

Each E, S and G pillar is rated from 1 to 5 based on a minimum of ten relevant key indicators per dimension.

These internal ESG ratings are built into the valuation models through the Beta used to define the weighted average cost of capital (WACC) for equity management and to the issuer selection process and the determination of issuers' weight in the portfolio for bond management. In terms of controlling the elements of the investment strategy with an external data provider:

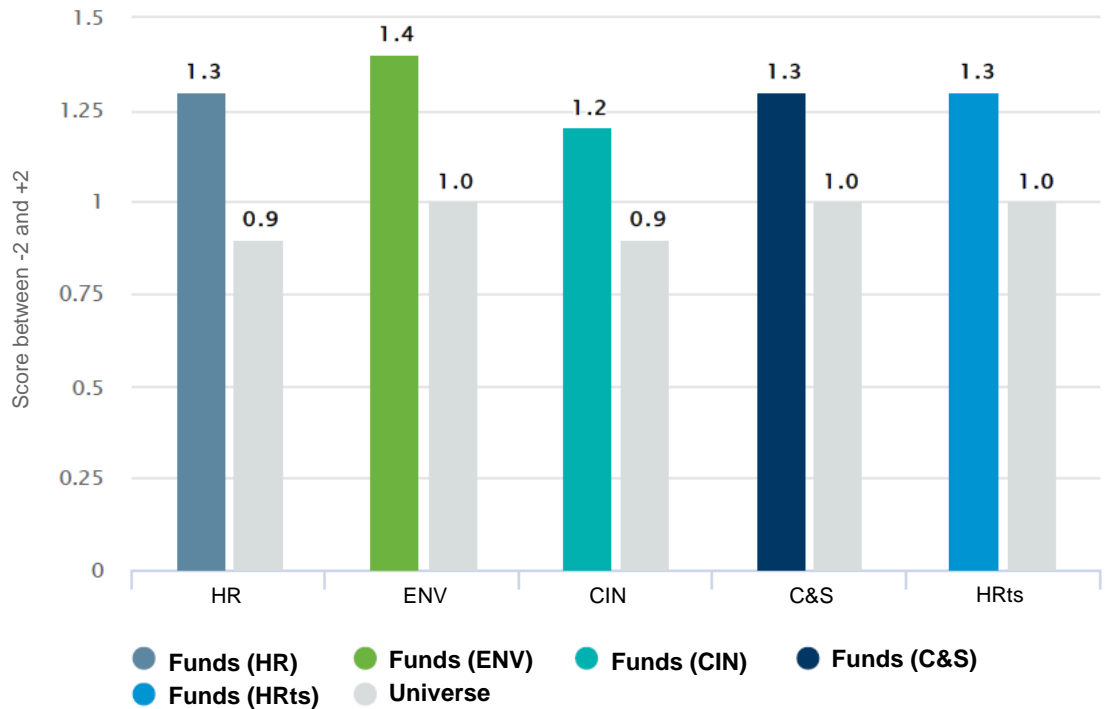
In addition, to confirm the robustness of the internal model, the analysts-managers in charge of management compare the portfolio's average ESG rating to that of its reference ESG universe using Moody's ESG Solutions ratings.

Change in exclusion rate



The portfolio's ESG reference universe is:

The Eurozone equity universe provided by our ESG partners



- **... and compared to previous periods?**

Not applicable

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The definition of sustainable investment within the meaning of the SFDR is based on the selection of indicators that show a substantial contribution to one or more environmental and social objectives, which do not harm any of the adverse impact indicators and ensures good governance principles.

The environmental indicators used are as follows:

- Carbon footprint (PAI 2)
- Carbon intensity (PAI 3)
- Implied temperature rise (ITR)
- Number of "low-carbon" patents held

The social indicators used are as follows:

- % of women in executive management
- Number of hours of training for employees
- Benefits coverage
- Diversity policies by management

A sustainable investment objective is attained if the substantial contribution of the corresponding indicator is validated, the other indicators are not prejudiced, and good governance principles are complied with. Substantial contribution is measured by the application of thresholds for each of the above indicators.



The table below presents the rules (targets) set for each indicator as well as the result obtained over the past period. The result is the average share of the portfolio invested in companies meeting these criteria, calculated on a quarterly basis. The average share is calculated according to the average positions observed over the past period, coupled with the non-financial data at the end of the period.

	<b>Rule</b>	<b>Average share of the portfolio</b>
<b>Carbon footprint in €m</b>	Included in the lowest 20% of the sector	68,32%
<b>GHG intensity</b>	Included in the lowest 20% of the sector	22,19%
<b>Implied temperature rise in 2100</b>	≤ 2°C	44,06%
<b>Number of low-carbon patents</b>	Included in the top 20% of the universe	32,20%
<b>% of women in executive management</b>	Included in the top 20% of the universe	23,56%
<b>Number of hours of training for employees</b>	Included in the top 20% of the universe	16,51%
<b>Benefits coverage</b>	See sustainable investment presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	37,88%
<b>Diversity policies by management</b>	See presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	19,60%

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The absence of significant harm is assessed on the basis of all the PAI indicators listed in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288 of 6 April 2022. In the event of insufficient coverage of the investment universe for certain indicators, alternative criteria may be used on an exceptional basis (such as for PAI 12, use of an indicator on management attention to diversity). Using alternative criteria is subject to the independent control of the Risks and Compliance department. Alternative indicators are also presented on the Lazard Frères Gestion website under the heading "Sustainable investment methodology".

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Indicators of the principal adverse sustainability impacts (PAI) are considered at two levels. Firstly, they are integrated into the internal analysis of each security monitored, carried out by our analyst-managers in the internal ESG analysis grids. In addition, they are used to assess the share of sustainable investments.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Compliance with minimum labour and human rights safeguards (OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights) and the eight fundamental conventions of the International Labour Organization is a key indicator for verifying that companies in which investments are made apply good governance practices.

We therefore check whether the company applies a labour rights due diligence policy in accordance with the eight fundamental conventions of the International Labour Organization (PAI 10) as part of our DNSH process. We also ensure that the investments made apply good governance practices, by monitoring a governance rating from a data provider and the internal rating on the Governance pillar.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

The proprietary model for ESG analysis of portfolio companies takes into account all indicators related to companies’ principal adverse impacts (PAI) in terms of sustainability.

These indicators are integrated into the internal grids used to establish a security’s ESG rating, which is taken into account in the valuation models through the Beta used to define the weighted average cost of capital for equity management and in the process of selecting issuers and determining their portfolio weight for bond management.

In addition, as stated above, all of the PAI indicators listed in Table 1 of Annex I of the Regulatory Technical Standards of the SFDR are taken into account in the definition of sustainable investment.



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/10/2022 to 30/09/2023

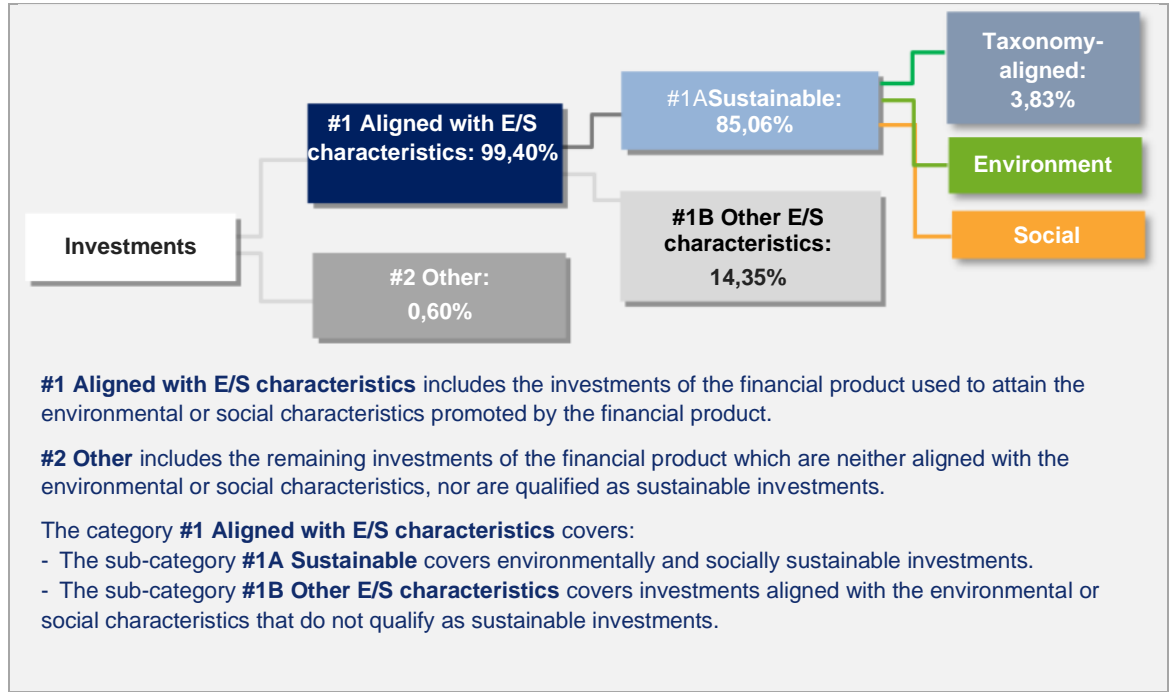
Largest investments	Sector	Percentage of assets	Country
1. ASML HOLDING NV	Manufacturing	5,28%	Netherlands
2. LVMH MOET HENNESSY LOUIS VUI	Manufacturing	4,31%	France
3. SANOFI	Manufacturing	4,02%	France

<b>Largest investments</b>	<b>Sector</b>	<b>Percentage of assets</b>	<b>Country</b>
<b>4. SAP SE</b>	Information and communication	3,84%	Germany
<b>5. AIR LIQUIDE SA</b>	Manufacturing	3,56%	France
<b>6. ALLIANZ SE-REG</b>	Financial and insurance activities	3,53%	Germany
<b>7. DEUTSCHE TELEKOM AG</b>	Information and communication	3,34%	Germany
<b>8. BNP PARIBAS</b>	Financial and insurance activities	3,31%	France
<b>9. LAZARD EU SHRT TRM MONEY M-C</b>	UCI	3,09%	France
<b>10. TOTALENERGIES SE</b>	Manufacturing	2,99%	France
<b>11. LOREAL</b>	Manufacturing	2,88%	France
<b>12. ESSILORLUXOTTICA</b>	Manufacturing	2,65%	France
<b>13. MUENCHENER RUECKVER AG-REG</b>	Financial and insurance activities	2,52%	Germany
<b>14. AXA SA</b>	Financial and insurance activities	2,50%	France
<b>15. INTESA SANPAOLO</b>	Financial and insurance activities	2,45%	Italy



## What was the proportion of sustainability-related investment?

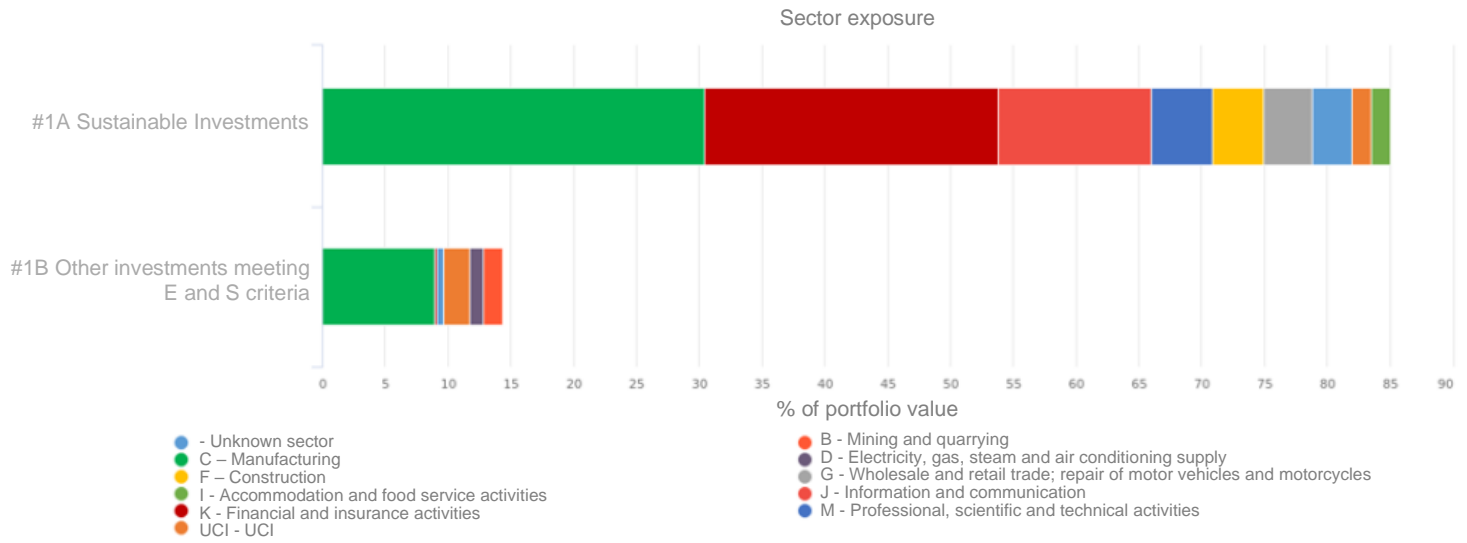
- **What was the asset allocation?**



Details of sustainable investments	
Weight of sustainable investments in the portfolio	85,06%
Of which sustainable investments E	81,59%
Of which sustainable investments S	67,65%

An investment is considered to be sustainable if it complies with at least one of the rules presented above, while not prejudicing any of the negative impact indicators and ensuring good governance criteria. A company can therefore be considered as environmentally and socially sustainable.

● **In which economic sectors were the investments made?**



Exposure to the fossil fuel sector averaged 4,31% over the period.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today;
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy;
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

- **Did the financial product invest in Taxonomy aligned fossil fuel and/or nuclear energy activities?**

At the date of production of this document, Lazard Frères Gestion does not have the data needed to identify the share of activities related to Taxonomy aligned fossil fuel and/or nuclear energy sectors.

The two graphs below show in green the minimum percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



**Enabling activities**

directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities**

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The calculation of investment percentages aligned with the EU Taxonomy is based on estimated data.

● **What was the share of investments made in transitional and enabling activities?**

At the date of production of this document, Lazard Frères Gestion does not have the data needed to identify the share of transitional or enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



### ***What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?***

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy is 78,58%

It corresponds to all activities not aligned with the Taxonomy but respecting the environmental objectives of sustainable investment mentioned above.



### ***What was the share of socially sustainable investments?***

The share of socially sustainable investments is 67,65%.

It corresponds to all activities that achieve one or more of the social objectives of sustainable investment mentioned above.



### ***What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?***

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 0,60%.



### ***What actions have been taken to meet the environmental and/or social characteristics during the reference period?***

To promote environmental and social characteristics, the following elements have been respected:

#### ***- The non-financial analysis rate***

The non-financial analysis rate of the product's investments is over 90%.

This rate is expressed as a percentage of total assets.

Over the past period, the non-financial analysis rate was 99,40% on average.

#### ***- The portfolio's exclusion rate***

The analyst-managers ensure that 20% or more of the lowest-rated securities in the portfolio's investment universe are excluded

In addition, the management company makes exclusions prior to investments:



- Normative exclusions related to controversial weapons (cluster munitions, anti-personnel mines, biological and chemical weapons) and violations of the UN Global Compact.
- Sector exclusions (tobacco and thermal coal)
- Geographical exclusions (tax havens on the FATF list).

For more information on the engagement and voting policy, please refer to the voting and engagement reports available at <https://www.lazardfreresgestion.fr>.



## How did this financial product perform compared to the reference benchmark?

Not applicable

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

#### **ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND**

1. The country of origin of the fund is France.
2. The representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich.
3. The paying agent is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva.
4. The prospectus, basic information sheets and key investor information, the regulations, the list of purchases and sales and the annual and semi-annual reports may be obtained free of charge from the representative.

## PERFORMANCE

### PC EUR SHARES

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Fund</b>	-5.89%	24.11%	-1.86%	23.27%	-13.55%	11.73%	3.34%	11.19%	2.44%	24.24%
<b>Benchmark index</b>	-12.31%	22.67%	0.25%	26.11%	-12.72%	12.55%	4.15%	10.33%	4.14%	23.74%

### PD EUR shares:

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Fund</b>	-5.89%	24.11%	-1.86%	23.27%	-13.55%	11.73%	3.29%	11.17%	2.44%	24.23%
<b>Benchmark index</b>	-12.31%	22.67%	0.25%	26.11%	-12.72%	12.55%	4.15%	10.33%	4.14%	23.74%

### UC EUR SHARES

	2022	2021	2020	2019	2018
<b>Fund</b>	-5.51%	24.66%	-1.41%	23.82%	-13.16%
<b>Benchmark index</b>	-12.31%	22.67%	0.25%	26.11%	-12.72%

### RC EUR SHARES

	2022	2021	2020	2019
<b>Fund</b>	-6.75%	23.07%	-2.58%	22.36%
<b>Benchmark index</b>	-12.31%	22.67%	0.25%	26.11%

**TOTAL EXPENSE RATIO - TER\* - (unaudited)**

**TER % = [Operating expenses / Average assets] x 100**

Shares	C	PC	RC	D	RD UNIT
ISIN	FR0000003998	FR0013204179	FR0013204187	FR0010990606	FR0013318730
Operating expenses	2 713 692,81	671 306,55	266 039,32	966 328,15	4 722,98
Average fund assets	242 696 518,50	95 161 460,78	13 939 486,22	86 489 364,72	242 383,63
<b>TER</b>	<b>1,11%</b>	<b>0,70%</b>	<b>1,90%</b>	<b>1,11%</b>	<b>1,94%</b>
Performance fee	0,00	0,00	0,00	0,00	0,00
Average fund assets					
<b>TER outperformance</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>
Operating and management fees	<b>1,11%</b>	<b>0,70%</b>	<b>1,90%</b>	<b>1,11%</b>	<b>1,94%</b>

Change in management fee rate over the period:

	Old rate	From 01/06/2023
RC	2,00	1,80
RD UNIT	2,00	1,80

\* The TER shown was calculated in accordance with Swiss regulations, see "Guidelines on the calculation and disclosure of the Total Expense Ratio (TER) of collective investment schemes" issued by the Asset Management Association Switzerland AMAS.

\*\* In the specific case of share classes launched during the financial year, TERs have been calculated on the basis of operating expenses recorded since the launch of the share classes, extrapolated over a 12-month period. Average assets are calculated on the basis of month-end values for the period under review.