

French open-end investment fund (FCP)

LAZARD CAPITAL FI SRI

ANNUAL REPORT

as of December 30th, 2022

Management company: Lazard Frères Gestion SAS

Custodian: CACEIS Bank

Statutory auditor: MAZARS

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1. CHARACTERISTICS OF THE UCI

LEGAL FORM

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

Fund of Fund

None.

CLASSIFICATION

International bonds and other debt securities.

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 expenses, minus 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.

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.

RVC EUR units: Net income is fully accumulated, with the exception of those amounts subject to compulsory distribution by law, and the allocation of net realised capital gains is decided each year by the management company. It may pay interim dividends.

RVD EUR, TVD EUR, SD EUR, PD H-USD, RD H-USD units: Net income is distributed in full and the allocation of net realised capital gains is decided each year by the management company. It may pay interim dividends.

PVC EUR, PC H-USD, PVC H-USD, PVC H-CHF, SC EUR, PVC F EUR, PC EUR units: Distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law.

PVD EUR units: Net income is fully distributed and net realised capital gains are fully accumulated, with the exception of those amounts subject to compulsory distribution by law. Interim distributions may be made by the management company.

PVD F EUR: Distributable amounts are fully distributed. Interim distributions may be made by the management company.

INVESTMENT OBJECTIVE

RVC EUR units, RVD EUR units, PVC EUR units, PVD EUR units, TVD EUR units, SC EUR units, SD EUR units, PVD F EUR units, PVC F EUR units, PC EUR units:

The investment objective is to achieve, through Socially Responsible Investment (SRI) management, a performance net of management fees that exceeds that of the following benchmark over the recommended investment period of 5 years: Barclays Global Contingent Capital Hedged EUR The benchmark index is expressed in EUR and hedged against foreign exchange risk, with the EUR as the reference currency. Net dividends or coupons are reinvested.

PC H-USD, PVC H-USD, PD H-USD, RD H-USD units:

The investment objective is to achieve, through Socially Responsible Investment (SRI) management, a performance net of management fees that exceeds that of the following benchmark over the recommended investment period of 5 years: Barclays Global Contingent Capital Hedged USD The benchmark index is expressed in USD and hedged against foreign exchange risk, with the USD as the reference currency. Net dividends or coupons are reinvested.

PVC H-CHF units

The investment objective is to achieve, through a Socially Responsible Investment (SRI) management approach, a performance net of fees that exceeds that of the following benchmark over the recommended investment period of five years: Barclays Global Contingent Capital Hedged CHF The benchmark is expressed in CHF and hedged against currency risk with CHF as the reference currency. Net dividends or coupons are reinvested.

BENCHMARK INDEX

RVC EUR units, RVD EUR units, PVC EUR units, PVD EUR units, TVD EUR units, SC EUR units, SD EUR units, PVD F EUR units, PVC F EUR units: PC EUR units:

Barclays Global Contingent Capital Hedged EUR

The Barclays Global Contingent Capital Hedged EUR index is weighted according to the market value of the securities that comprise it, with a concentration on liquid issues. It comprises issues by banks, financial institutions or insurers above €300m, £200m and \$300m, denominated in various currencies including the. It is rebalanced on a monthly basis with elimination of issues with a maturity of less than one year.

The data are available on: <https://www.bloomberg.com/markets/rates-bonds/bloomberg-barclaysindices> Bloomberg code: BCCGTREH Index

PVC H-CHF units

Barclays Global Contingent Capital Hedged CHF

The Barclays Global Contingent Capital Hedged CHF index is weighted according to the market value of the securities that comprise it, with a concentration on liquid issues. It comprises issues by banks, financial institutions or insurers above €300m, £200m and \$300m, denominated in various currencies including the. It is rebalanced on a monthly basis with elimination of issues with a maturity of less than one year.

The data are available on: <https://www.bloomberg.com/markets/rates-bonds/bloomberg-barclaysindices> Bloomberg code: BCCGSICH Index

PC H-USD, PVC H-USD, PD H-USD, RD H-USD units:

Barclays Global Contingent Capital Hedged USD

The Barclays Global Contingent Capital Hedged USD index is weighted according to the market value of the securities that comprise it, with a concentration on liquid issues. It comprises issues by banks, financial institutions or insurers above €300m, £200m and \$300m, denominated in various currencies including the. It is rebalanced on a monthly basis with elimination of issues with a maturity of less than one year.

The data are available on: <https://www.bloomberg.com/markets/rates-bonds/bloomberg-barclaysindices> Bloomberg code: BCCGTRUH Index

As at the date of this prospectus, the administrator of the following benchmark index: [Bloomberg Barclays] is registered on the register of administrators and benchmark indices maintained by the ESMA.

Additional information on the benchmark index can be found on the administrator's website at the following link: [<https://www.bloomberg.com/markets/rates-bonds/bloomberg-barclaysindices>].

The management company will ensure that this link is still valid in future updates of the UCI's prospectus.

INVESTMENT STRATEGY

1. Strategies used

The Fund aims to outperform the Barclays Global Contingent Capital Hedged EUR index, net of expenses, for the PVC EUR, PVD EUR, RVD EUR, TVD EUR, SC EUR, SD EUR, PVC F EUR, PVD F EUR, PC P EUR and RVC EUR units, the Barclays Global Contingent Capital Hedged USD index for the PC H-USD, PD H-USD, RD H- USD and PVC H-USD units, and the Bloomberg Barclays Global Contingent Capital Total Return Index Hedged CHF index for the PVC H-CHF units through active management of interest rate, credit and exchange rate risk.

To achieve this investment objective, the portfolio will be actively managed, invested mainly in subordinated debt (which is riskier than senior or secured debt) or any securities not deemed to be ordinary shares and issued by financial institutions, including contingent convertible bonds. The Fund is managed by combining a top-down approach (which first looks at general economic and market trends before deciding in which geographical areas and securities to invest) and a bottom-up approach (which first looks at issuers' creditworthiness and the quality of individual securities), thus incorporating the regulatory conditions applying to this asset class.

The modified duration is between 0 and 8.

The Fund is invested only in bonds or securities of issuers the registered offices of which are established in OECD-member countries and/or in securities listed on a financial market of one of these countries. The Fund only invests in bonds traded in euros, US dollars, pounds sterling, or in any OECD currency.

To build his portfolio, the manager conducts his own assessment of bonds or securities not deemed to be ordinary shares. He also refers to agency ratings but does not rely on them solely and mechanically.

As an exception to the 5%-10%-40% ratios, the management team may invest more than 35% of the UCI's net assets in securities guaranteed by an EEA Member State or the United States.

The Fund will be able to invest in the bonds and securities of any issuer the registered office of which is established in an OECD-member country and/or in securities listed on a financial market of one of these countries.

Information on the Fund's sensitivity range is shown in the table below:

Interest rate sensitivity range within which the Fund is managed	Geographic zones of issuers of securities or underlying securities of securitisation products	Range of exposure to this zone
0 - 8	OECD zone	100%

Lastly, the Fund may invest only in bonds that are traded in euros, US dollars, pounds sterling or any OECD currency.

2. Assets excluding derivatives

Equities:

Ordinary shares (maximum 10% of net assets) arising either from the conversion of debt or an offer by the issuer to exchange debt for shares, or from hedges through derivative instruments. The Fund will not actively invest in equities but may hold them to enable the manager to sell the equities received in the best market conditions and to maximise the exit price for unitholders.

Debt securities and money market instruments:

Up to 100% of the net assets in bonds or securities not considered ordinary shares, traded in euros, US dollar, pound sterling, or any OECD currency, including contingent convertible bonds ("CoCos"). The Fund may invest up to 100% of the net assets in CoCo bonds. A contingent convertible bond is a subordinated debt security that is convertible into equities of the issuing company if a pre-specified trigger event occurs, e.g. if the issuer's capital ratio falls below a certain threshold, and for which the nominal value may decrease in part or be wiped out. Exchange rate risk will be hedged so that exposure thereto shall not exceed 10% of the assets.

The bonds or securities may be rated Investment Grade by the rating agencies or an equivalent rating based on the management company's analysis, or speculative/High Yield by the rating agencies or an equivalent rating based on the management company's analysis, or they may not be rated by a rating agency, they may be traded in euros, US dollars, pounds sterling or any OECD currency and issued by governments, companies or financial institutions.

UCITS:

Up to 10% of the net assets in money market UCITS, short-term money market funds or French or European bond funds provided that less than 10% of these funds' assets are invested in other UCIs.
These UCIs may be managed by the management company.

3. Derivatives

■ Types of markets:

- ☒ regulated
- ☒ organised
- ☒ OTC

■ The manager wishes to seek exposure to the following risks:

- ☒ equities
- ☒ interest rates
- ☒ currencies
- ☒ credit
- ☐ other risks

■ Transaction types - all transactions must be limited to achieving the investment objective: H hedging

- ☒ exposure
- ☐ arbitrage
- ☐ other type

■ Types of instruments used:

☒ futures:

- ☒ equity and equity indices limited to 10% maximum
- ☒ interest rates
- ☒ currency: interest rate risk
- ☐ other

☒ options:

- ☒ equity and equity indices limited to 10% maximum
- ☒ interest rates
- ☒ currency: on organised markets only
- ☐ other

☒ swaps:

- ☐ equity swaps
- ☒ interest rate: exchange of fixed-rate for variable rate and vice versa
- ☒ currency swaps
- ☐ performance swaps

☒ currency forwards

- ☒ up to 40% of net assets in credit derivatives
- ☐ other type

■ Derivatives strategy to achieve the investment objective:

- ☒ partial or general hedging of the portfolio, some risks and securities
- ☒ creating synthetic exposure to assets and risks
- ☒ increasing exposure to the market without leverage
- ☐ maximum permitted and sought
- ☐ other strategy

4. Securities with embedded derivatives

The manager may invest in any securities with embedded derivatives permitted under the management company's business plan, notably convertible bonds, callable and puttable bonds and contingent convertible bonds.
Investment in securities with embedded derivatives is allowed within the limit of 100% of the net assets.

5. Deposits

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

6. Cash borrowings

The UCI may borrow cash within a limit of 10% of its 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. Haircuts may be applied to the collateral received; they take into account the securities' creditworthiness and price volatility.

RISK PROFILE

Notice

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

The UCI provides no guarantee or protection. 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 anticipation of 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.

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, such as the tendency for bond prices 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.

Credit risk

The risk of a deterioration in the credit quality of or default by a public or private issuer. The UCI's exposure to issuers either through direct investment or via other UCI may give rise to a decline in the net asset value. If the UCI is exposed to unrated or speculative/high yield debt, the credit risk is high and may lead to a decline in the UCI's net asset value.

Risk related to the holding of contingent convertible bonds (CoCos)

Subordinated debt and contingent convertible bonds are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. At a certain solvency threshold, referred to as the "trigger" threshold, the issuer may or must suspend the payment of coupons and/or reduce the nominal value of the security or convert such bonds into shares. Notwithstanding the thresholds defined in the issue prospectus, the supervisory authorities have the possibility of applying in a preventive manner these rules if the circumstances require based on an objective threshold, the point of non-viability. These securities expose holders to either a total or partial loss of their investment following their conversion into shares at a predetermined price or because of the application of a discount provided for contractually in the issuing prospectus or applied arbitrarily by a supervisory authority. Holders of these securities are also exposed to potentially large price fluctuations in the event that the issuer has insufficient equity or experiences difficulties.

Foreign exchange risk

The UCI may invest in securities and other UCI that in turn are authorised to acquire instruments denominated in currencies other than the fund's base currency. The value of these instruments 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).

Liquidity risk

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.

Equity risk

Share price fluctuations 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.

Counterparty risk:

This is a risk linked to the use of forward financial instruments traded over the counter. A transaction of this type with one or more counterparties potentially exposes the UCI to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease 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.

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.

GUARANTEE OR PROTECTION

None.

ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE

All subscribers seeking to optimise their investments in fixed-income instruments.

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

CHANGES WHICH TOOK PLACE DURING THE PERIOD OR ARE STILL TO TAKE PLACE

The Chairman of the management company Lazard Frères Gestion SAS made a decision concerning **LAZARD CAPITAL FI** (ISIN code: FR0014008DD5) the change in the methods for calculating performance fees in order to integrate the ESMA guidelines (ESMA 34-39-992).

- **Effective date: 01/01/2022**

The Chairman of the management company Lazard Frères Gestion SAS made a decision concerning **LAZARD CAPITAL FI** (ISIN code: FR0014008DD5) to make the following clarification to the Fund's investment strategy:

"As an exception to the 5%-10%-40% ratios, the management team may invest more than 35% of the UCI's net assets in securities guaranteed by an EEA Member State or the United States."

- **Effective date: 07/01/2022**

The Chairman of the management company Lazard Frères Gestion SAS made a decision concerning **LAZARD CAPITAL FI** (ISIN code: FR0014008DD5), to create three new units:

Name:	PC EUR
ISIN code:	FR0014008DD5
Name:	PD H-USD
ISIN code:	FR0014008F19
Name:	RD H-USD
ISIN code:	FR0014008FK5

- **Effective date: 23/02/2022**

The Chairman of the management company Lazard Frères Gestion SAS made a decision concerning **LAZARD CAPITAL FI** (ISIN code: FR0014008DD5):

- Insertion of information on Russian and Belarusian investors;
- Deletion of the optional mention of a cap on redemptions ("Gates");
- Acceptance of subscription and redemption orders in units and/or in amounts.

- **Effective date: 27/05/2022**

The Chairman of the management company Lazard Frères Gestion SAS made a decision concerning **LAZARD CAPITAL FI** (ISIN code: FR0014008DD5) to make the following clarification to the Fund's frequency of distribution:

"For the PD H-USD and RD H-USD units, the net income for year N will be paid in part (i) as an annual distribution within 5 months of year N+1 and (ii) as a quarterly distribution during year N+1 for the part of the net income for year N allocated to retained earnings. "

- **Effective date: 16/06/2022**

The Chairman of the management company Lazard Frères Gestion SAS made a decision concerning **LAZARD CAPITAL FI** (ISIN code: FR0014008DD5) that it may be issued in fractions of up to one thousandth of a unit.

➤ **Effective date: 15/07/2022**

The **LAZARD CAPITAL FI** Fund's KIID (ISIN code: FR0014008DD5) 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.

3. MANAGEMENT REPORT

PERFORMANCE

The performance of the UCI (Lazard Capital Fi SRI) over the period was as follows:

Name	Performance currency	
LAZARD CAPITAL FI SRI PVC EUR	EUR	-10,64%
LAZARD CAPITAL FI SRI PVD EUR	EUR	-10,64%
LAZARD CAPITAL FI SRI RVD EUR	EUR	-11,22%
LAZARD CAPITAL FI SRI RVC EUR	EUR	-11,23%
LAZARD CAPITAL FI SRI TVD EUR	EUR	-10,63%
LAZARD CAPITAL FI SRI SC EUR	EUR	-10,03%
LAZARD CAPITAL FI SRI SD EUR	EUR	-10,03%
LAZARD CAPITAL FI SRI PC H-USD	USD	-8,63%
LAZARD CAPITAL FI SRI PVC H-USD	USD	-8,68%
LAZARD CAPITAL FI SRI PVD H-CHF	CHF	-10,90%
LAZARD CAPITAL FI SRI PVC F EUR	EUR	-3,79% (*)
LAZARD CAPITAL FI SRI PC EUR	EUR	-5,46% (*)
LAZARD CAPITAL FI SRI PVD EUR	EUR	-10,64%
LAZARD CAPITAL FI SRI PVD F EUR	EUR	-3,70% (*)
LAZARD CAPITAL FI SRI PD H-USD	USD	-3,68% (*)
LAZARD CAPITAL FI SRI RD H-USD	USD	-4,37% (*)

(*) performances calculated since the inception of the unit

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

The performance of the benchmark (Global Contingent Capital Total Return hedged in EUR) over the period was: -12,97% (€), -10,59% (USD), -13,19% (CHF)

ECONOMIC ENVIRONMENT

Economy

Global growth ran out of steam in 2022, against a backdrop of high inflation. The IMF's latest forecast calls for global growth of 3,2%, less than half the rate seen in 2021 during the post-pandemic rebound. The war in Ukraine and its impact on commodities have heightened pre-existing inflationary pressures. The energy shock was less severe than expected in Europe, however, and some of the factors that had fuelled the price increase began to reverse. Energy prices started to fall again and the easing of supply problems led to a slowdown in goods inflation. In contrast, service inflation remained high and labour markets generally tight, posing the risk that inflation could settle in at a level persistently above central banks' target. Will the massive rate hikes already carried out be enough to bring inflation down to 2%? How long can activity weather these higher interest rates?

In the United States, GDP grew by +1,9% between Q3 2021 and Q3 2022. 4,5 million jobs were created in 2022, reducing the unemployment rate from 3,9% to 3,5%. The hourly wage has increased by +5,0% over the last twelve months. Inflation accelerated in the first half of the year before slowing in the second half to +7,1% year-on-year in November 2022.

The Fed raised its key interest rate by +425 basis points to the 4,25%-4,50% range, with the following sequence: +25 basis points in March, +50 basis points in May, four consecutive hikes of +75 basis points between June and November and +50 basis points in December. In May 2022, the Fed announced it would begin to reduce its balance sheet from June 2022, at a maximum pace of -\$47,5 billion per month and then -\$95 billion from September 2022.

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 grew by +2,3% between Q3 2021 and Q3 2022. In the four largest economies, GDP grew by +1,3% in Germany, +1,0% in France, +2,6% in Italy and +4,4% in Spain. The Eurozone unemployment rate fell from 7,0% to 6,5%. Inflation accelerated sharply to +9,2% year-on-year in December 2022. In the face of the energy shock, European governments stepped up their support measures.

The ECB hiked its interest rates by +250 basis points, with the following sequence: +50 basis points in July, two hikes of +75 basis points in September and October and +50 basis points in December. The deposit rate was raised from -0,50% to 2,00%, the refinancing rate from 0% to 2,50% and the marginal lending facility from 0,25% to 2,75%.

In March 2022, the ECB announced the end of its emergency programme (PEPP) and a reduction in the amount of purchases under its asset purchase programme (APP). In June 2022, the ECB announced the end of the APP program. In July 2022, the ECB approved the creation of a "Transmission Protection Instrument" that could be activated if credit spreads soar. In December 2022, the ECB announced that it would start reducing its balance sheet from the beginning of March 2023, at a rate of €15bn per month until the end of Q2 2023.

In France, Emmanuel Macron was re-elected president on April 24th, 2022. The general elections resulted in a relative majority for the presidential party in the National Assembly. 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 increased by +3,9% between Q3 2021 and Q3 2022. Activity was adversely affected by the lockdowns and the slowdown in the real estate market. The urban unemployment rate rose to 5,7%. Inflation remained moderate at +1,8% year-on-year. The Chinese central bank cut its key interest rate by 20 basis points, bringing the 1-year refinancing rate to 2,75%. 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. The National Health Commission announced the lifting of most health restrictions in December 2022.

Markets

2022 was an annus horribilis for the markets, with very poor performances in almost all asset classes.

Equity markets fell sharply in 2022. The MSCI World index in dollars lost 19,8%, its worst year since 2008. The S&P 500 in dollars fell by -19,4%, the Euro Stoxx in euros by -14,4%, the Topix in yen by -5,1% and the MSCI Emerging Stock Index in dollars by -22,4%. Within the equity markets, cyclical stocks held up better than growth stocks.

In the first quarter, the prospect of further monetary tightening by central banks, the outbreak of war between Russia and Ukraine and soaring commodity prices caused a sharp decline in the markets.

In the second quarter, the decline amplified as central banks' monetary policy tightening, lockdowns in China and reduced Russian gas supplies to Europe fuelled fears of recession.

In the third quarter, equity markets attempted to rally on the assumption that the central bank monetary tightening cycle was nearing its end. This idea was eventually undermined by central bankers' speeches at their annual meeting in Jackson Hole in August 2022, indicating that further rate hikes would be needed to curb inflation. This heightened fears of a recession and led to a relapse.

The equity markets rose sharply in the fourth quarter. The bulk of the rebound took place in October and November, as investors again anticipated a monetary policy pivot and a rebound in Chinese growth. The movement reversed in December following the ECB's very tough stance.

The bond markets also suffered in 2022. The context of very high inflation and the adoption of more restrictive measures or statements by central banks led to major pressure on sovereign yields. The US 10-year Treasury yield rose from 1,51% to 3,87%, peaking at 4,24% on October 24th, 2022. The German 10-year government bond yield ended the year at a high of 2,57%, compared with a level of -0,18% at the end of 2021.

Credit spreads on European corporate issuers widened significantly in the Investment Grade and High Yield segments. According to the ICE Bank of America indices, the former rose from 98 to 159 basis points and the latter from 331 to 498 basis points.

The rise in interest rates and widening of spreads led to negative performances in all segments. In the Eurozone, government bonds fell by -18,2%, investment grade bonds by -13,9%, high yield bonds by -11,2% and subordinated financial bonds by 13,0%. 10-year US Treasuries fell by 14,9%.

On the foreign exchange market, the euro depreciated by -5,8% against the dollar and by -4,6% against the Swiss franc. It appreciated by +7,3% against the yen and +5,2% against the pound sterling. Emerging currencies depreciated on average by -5,0% against the dollar, according to the JPMorgan index.

The S&P GSCI commodity price index rose by +8,7% in 2022. The price of a barrel of Brent crude oil rose from \$77 to \$85 with a peak of \$128 in early March.

MANAGEMENT POLICY

In January, the bond market suffered a double whammy with rising rates (from +7bp to +45bp depending on the point on the curve and the currency) and spreads (from +8bp to +27bp).

Omicron, the geopolitical tensions between Ukraine and Russia and central banks were the main drivers during the month.

The Fed's pivot was confirmed by the release of the December minutes and then at the January FOMC, during which Jerome Powell did not commit to anything, but did not rule out any options (pace and extent of rate hikes, QT) either. Initial earnings releases were broadly in line with expectations, confirming the strong position of banks with a positive outlook for 2022, particularly in terms of asset quality and provisioning requirements.

Activity in the primary market was very intense until the third week of January, with financials issuing a lot (up 50% compared with January 2021), particularly in \$. This behaviour was expected and we believe it is set to continue in Q1-22 with a "stop and go" phenomenon depending on market conditions.

Deutsche Bank announced the repayment of its AT1 on the first call date.

In February, the conflict between Russia and Ukraine created a double whammy with rising interest rates and spreads. The release of solid flash PMI data and the expectation of a likely slowdown in monetary tightening in the Eurozone clearly failed to offset the pressures from the East, which point to a potentially lengthy conflict and persistently higher inflation.

The primary market was very quiet and virtually non-existent in the subordinated segment, due to the market conditions and the high volume of issues placed at the beginning of the year (50% more than in January 2021).

At the end of the earnings release season, credit institutions showed very strong credit profiles with excellent outlooks, as evidenced by the various strategic plans presented: rising interest rates, market dynamics, well-controlled cost base, and excellent asset quality should support profitability over the coming years.

Fitch raised the rating of the four Greek banks by one or two notches, while maintaining a positive outlook for those with the lowest rating.

Insurers have also started to report good results, broadly in line with expectations.

The market's attention was focused solely on the geopolitical situation in March, while central banks did not seem very concerned about the potential impact of the conflict on growth, while stressing its inflationary effect. Spreads nevertheless tightened during the month, partly offsetting the significant rise in rates across all currencies.

Virtually all European banks have published their direct and indirect exposures to Russia, and as Andrea Enria, Chair of the Supervisory Board of the ECB, pointed out: "Direct exposures to Russia are manageable overall, even in extreme scenarios".

The primary market will be closed for only a short time. New issues were very successful due to attractive premiums and yields, such as Intesa and Deutsche Bank on the AT1 € side. Despite the market context, in 2022, 100% of AT1 bonds were repaid on the first call date.

Fitch and Moody's upgraded the ratings of the four Greek banks by one or two notches and Fitch upgraded the rating of Portuguese bank Caixa Geral de Depositos to BBB- (from BB+) with a stable outlook, after 11 years in High Yield.

In terms of consolidation, Aegon launched a tender for a Legacy Eur variable rate security following the sale of its Hungarian subsidiary to Vienna Insurance, and the Bulgarian competition regulator gave KBC the green light to acquire 100% of Raiffeisenbank Bulgaria.

Lloyds Banking Group launched a buyback offer for one of its AT1s issued in 2014 (£500m of £1.5bn) and redeemable next year.

Yields continued to rise by 30 to 60 basis points in April, due to continued high inflation and hawkish central bank policy. Credit spreads widened after the March rally, by +13 to +84bp, due to concerns about gas supply in Europe and its effects on growth, as well as still fragile technical factors.

The first earnings releases for Q122 were good, with many beating expectations, particularly concerning interest income thanks to the effect of higher interest rates. Issuers expect a low cost of risk in 2022, given the continued existence of Covid-related provisions. Capital ratios declined due to a combination of shareholder-friendly initiatives, re-pricing of banks' bond portfolios, growth in risk-weighted assets and regulatory changes, particularly in the UK. Primary market activity was moderate in April.

Spreads on financial bonds widened in May, with the exception of euro-denominated AT1, which tightened slightly. Issuers reported stronger than expected Q1 results and conflict-related risks were largely provisioned in the quarter. CET1 ratios deteriorated slightly due to regulatory changes and payouts. The rating agencies made several rating upgrades (Axa, Athora, Irish banks, etc.), one of the few exceptions being Credit Suisse. S&P confirmed Allianz's AA rating, despite the \$6bn compensation paid following the Structured Alpha Funds case.

The primary market reopened, mainly in the Senior segment but also in the subordinated segments (Axa, Athora, Erste, etc.) with attractive new issue premiums. Deutsche Pfandbriefbank preferred not to redeem its Tier 2 in view of the current market conditions, which should remain an exceptional event. With regard to AT1, all bonds were called on the first call date in 2022.

Spreads widened significantly across the capital structure in June.

Investors swung from inflation fears to recession fears during the month amid a sharp drop in Russian gas supplies, creating a rather complex cocktail for the markets. Yields therefore continued to rise during the month but fell sharply at the end of the period.

This is a delicate task for the ECB, which must therefore start a period of rate hikes while keeping sovereign spreads under control. It held an emergency meeting to discuss its future anti-fragmentation tool, which has made it possible to curb the widening of peripheral spreads.

The primary market was active across the entire capital structure, with significant issue premiums. In the AT1 segment, there were new issues with historically high coupons, with, for example, 8,875% for Barclays (£) and 9,75% for Credit Suisse (\$).

Yields fell by an average of 35-50 basis points in July across all currencies, although the ECB was hawkish by raising its key interest rate by 50 basis points to 0% and the Fed apparently adopted a dovish attitude by raising its rate by 75 basis points to 2,25-2,50%, while confirming that it had reached neutral interest rates.

Spreads went through two phases during the month: stable until mid-July, before tightening sharply for the rest of the month.

Gas flowed through NS1 again, albeit at a reduced rate.

The earnings season shows that the increase in revenues linked to the rise in interest rates is finally reflected in the income statement, with a cost of risk that remains moderate. Guidance is optimistic and generally revised upwards, unless gas were to stop flowing in Europe.

The primary market was limited in July due to a mix of valuations / spreads that was too high for issuers and great uncertainty up to July 21st regarding gas and the ECB. "

August was marked by a confluence of three main trends:

1) a high level of primary issues for a summer month, with financials issuing just as much as during the busiest months of the year like January or March.

2) the renewed focus on inflation, which was accompanied by hawkish central bank statements.

3) higher volatility from mid-August, with higher yields due to point 2) above (+28 to +94 basis points; in some cases, half of the YTD movement occurred in August) and wider spreads (+0 to +26 basis points) due to point 1) above.

Spreads on financials continue to be very cheap, particularly relative to corporates, and cannot be reconciled with the good results presented in H1 22.

September was marked by increased volatility in bonds, with the majority of central banks maintaining a hawkish stance, with the Fed and ECB each raising rates by +75bp during the month. On the other hand, the abrupt rise in long Gilt rates following the publication of the UK budget proposal led to forced sales by pension funds to meet margin calls. In order to stop this spiral, the Bank of England set up a temporary purchase programme targeting long bonds (over 20 years).

The primary market was sluggish on the whole, with volumes well below previous years in both \$ and €, although August was a particularly active month. For now, the new interest rate environment has had more positive effects on revenues than negative effects on costs for the banks, with some of them (UniCredit, Deutsche Bank) mentioning potential guidance rises for 2022.

In financial credit, at the end of September, Tier 2 IG had a spread of 425bp (+72bp over the month, 28% of the movement since the beginning of the year), global AT1 of 559bp in OAS (+79bp, 31%), and Euro AT1 of 733bp in OAS (+97bp, 27%).

October saw a partial reversal of the excesses seen in September. AT1s tightened by -31bp to -78bp, Tier 2s by -35bp and senior debt by -5bp.

Selling pressure eased sharply mid-month following the UK pension fund debacle, as yields in the Gilt market stabilised and then fell.

At the end of the month, some hopes of a pivot by the major central banks accelerated the covering of short positions and the increase in risk exposures. As expected, the ECB raised its key rate by +75bp but sent a dovish message on future hikes.

Quarterly results so far have confirmed our expectations, with far better revenues due to higher yields, and a still very favourable credit environment resulting in limited defaults. That said, some banks have started to make generic provisions in anticipation of a more adverse environment.

Monte dei Paschi launched its €2,5bn capital increase and Credit Suisse published a new strategic plan that provides for a smaller, less risky structure with a CHF4bn capital increase.

The financial debt market was very upbeat in November, with spreads tightening between -52bp and -93bp for AT1s and -77bp for Tier 2s. This good performance is attributable to the easing of sovereign yields, which also led to sustained activity in the primary market, well received by investors.

The earnings reporting season ended on a very positive note, driven mainly by higher net interest income.

Banking institutions repaid €296bn of TLTRO III funds, an amount rather at the lower end of expectations.

Raiffeisen confirmed that it will not repay its AT1 in December, while Portuguese bank BCP will not repay its Tier 2. However, BCP made an exchange offer for a new Tier 2, offering an additional spread of +180bp: 40% of investors responded positively.

Credit Suisse completed its CHF4bn capital increase, issued €5bn of Senior Holdco debt, as planned, which received significant investor interest, and signed an agreement with Apollo to sell the bulk of its securitisation business, known as SPG.

December was dominated by central banks, which all raised rates by +50bp, with hawkish messages from both the Fed and the ECB and a surprise increase in the Bank of Japan's yield target from 0,25% to 0,5%.

Against this backdrop, yields rose by +12 to +71bp while spreads tightened slightly, by -14 to -32bp.

Banks repaid a further €448bn in TLTRO 3 funds in December, bringing early repayments to €808bn and reducing the outstanding amount to €1 308bn.

We have seen a bear year for yields more than for spreads, with movements of +206bp (US 30Y) to +369bp (US 2Y), with many points on the yield curves around +300bp on average.

Spreads ended the year with a widening, ranging from +65bp for bank senior debt to +186bp for AT1 in euro. Tier 2s ended the month at +128bp.

European banks have absorbed the geopolitical shock and sanctions against Russia without difficulty. 2022 is expected to be the most profitable year in history for many financial institutions.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EURO MONEY MARKET "B"	435 630 715,70	436 568 638,12
LAZARD EURO SHORT TERM MONEY MARKET "C"	202 128 006,79	126 066 405,40
CRED SUIS SA GROUP AG 9.75% PERP	23 056 402,44	25 307 227,57
STANDARD CHARTERED 7.75% PERP	29 378 641,73	8 747 069,92
BANCO DE SABADELL SA 6.5% PERP		36 355 446,63
CRED SUIS SA GROUP AG 7.25% PERP	32 307 137,80	
SOCIETE GENERALE 7.875 31/12/2099	14 344 964,70	14 872 240,71
LEASEPLAN CORPORATION NV 7.375% PERP	21 379 627,57	5 084 298,32
INTE 6.375% PERP	22 147 187,98	1 730 536,68
VIRGIN MONEY UK 8.25% PERP	23 504 524,62	

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 effective management techniques:

- o Securities lending:
- o Securities borrowing:
- o Repurchase agreements:
- o Reverse repurchase agreements:

- Underlying exposure through derivative financial instruments: 587 473 898,80

- o Currency forwards: 293 110 889,09
- o Futures: 294 363 009,71
- o Options:
- o Swap:

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

Efficient portfolio management techniques	Derivative financial instruments (*)
	BNP PARIBAS FRANCE CACEIS BANK, LUXEMBOURG BRANCH J.P.MORGAN AG FRANCFORT

(*) Excluding listed derivatives.

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

Instrument type	Amount in the currency of the portfolio
Efficient portfolio management techniques . Term deposits . Equities . Bonds . UCITS . Cash (*) Total	
Derivative financial instruments . Term deposits . Equities . Bonds . UCITS . Cash Total	 5 150 000,00 5 150 000,00

(*) 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 Total income	4 125,32 4 125,32
. Direct operating expenses . Indirect operating expenses . Other expenses Total expenses	19 007,15 19 007,15

(*) 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 (€) (Text to be removed if the fund is SFTR)

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

BROKERAGE FEES

Information about brokerage fees is available on the website: 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.

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 sustainable economic performance.

The long-term performance of investments is not limited to the sole consideration of 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 solidity, predictability of cash flows and their reinvestment by the company, the strength of economic profitability, profit sustainability, and quality of management.

- ✓ This sustainability 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.

SFDR AND TAXONOMY

Article 8 (SFDR):

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

Report on non-financial performance:

As of 30/12/2022, in accordance with the asset management company’s rating criteria, the portfolio’s overall rating was 51,2839 on a scale of 0 to 100. It was 49,1225 at the start date of the calculation.

Over the measured period, the portfolio’s average ESG rating varied between 49,1225 and 51,2839. It remained higher than that of its universe.

Reminder of the investment objective of promoting ESG criteria:

Information on Environmental, Social and Corporate governance (ESG) criteria, as well as the screening procedure for non-financial criteria, is available on the management company’s website (www.lazardfreresgestion.fr).

The UCI is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, selection of securities and weighting.

ESG analysis is based on a proprietary model shared by the teams in charge of financial management in the form of an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agency, external service providers, etc.), annual reports and reports on the corporate social responsibility (CSR) of the companies monitored among all the stocks in the portfolio and direct exchanges with them, the analysts responsible for each stock monitored establish an internal ESG score based on an approach that is both quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative (environmental policy, employment strategy, competence of directors, etc.). It takes into account the companies’ main negative 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.

Each E, S and G pillar is rated from 1 to 5 (5 being the best rating) based on at least ten relevant key indicators per dimension. The company’s overall ESG score summarises the scores for each pillar according to the following weighting: 30% for Environment and Social and 40% for Governance.

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 therefore capped at 10% of total assets).

On the basis of these internal ESG analysis grids, we have developed a fixed income process that:

- Limits to 30% of the portfolio the share of issuers with a rating of less than or equal to 3
- Excludes issuers with a rating of less than or equal to 2

As part of SRI management, the following impact indicators are reported at least once a year:

- Environmental criterion:
 - o Carbon intensity in tonnes CO₂eq/€m of revenue
- Social criterion:
 - o The percentage of companies subject to high or critical severity controversies relating to human resources
- Human rights criterion:
 - o The percentage of companies that are signatories to the United Nations Global Compact
- Governance criterion:
 - o The percentage of independent directors

In the context of SRI management, the analysts-managers ensure that an external ESG rating is maintained that is higher than that of a universe composed of securities from the Diversified Banks, General Financial Services, Insurance, Retail and Specialised Banks sectors in the "euro" zone, as well as companies falling into the "Greece" country category of our non-financial rating partner, after elimination of the 20% worst-rated securities.

The risk control department ensures compliance with this criterion on a monthly basis.

The external ESG ratings of the UCI and the universe correspond to the equally weighted average of the absolute E, S and G ratings provided by our non-financial rating partner.

The rating method is based on a model with data going back 17 years and 330 indicators grouped into 38 criteria in 6 areas. These 38 criteria are weighted from 0 to 3 depending on their materiality (relevance) for the sector.

The ESG analysis is broken down into 6 areas:

1. Human Resources: 7 criteria

Promotion of social dialogue / Promotion of employee profit-sharing / Promotion of individual career choices and employability / Controlled management of restructuring / Quality of remuneration systems / Improvement of health and safety conditions / Respect and organisation of working hours

2. Environment: 11 criteria

Definition of the environmental and eco-design strategy / Consideration of pollution risks (soil, accidents) / Offer of green products and services / Prevention of risks of damage to biodiversity / Control of impacts on water / Control of energy consumption and reduction of polluting emissions / Control of impacts on air / Control and improvement of waste management / Control of local pollution levels / Control of impacts related to distribution-transport / Control of impacts related to the use and disposal of the product or service

3. Customer/supplier relationships: 9 criteria

Product safety / Customer information / Contract guidance / Sustainable cooperation with suppliers / Integration of environmental factors in the supply chain / Integration of social factors in the supply chain / Prevention of corruption / Prevention of anti-competitive practices / Transparency and integrity of strategies and influencing practices

4. Human rights: 4 criteria

Respect for fundamental rights and prevention of violations of these rights / Respect for the freedom to join trade unions and the right to collective bargaining / Non-discrimination and promotion of equal opportunities / Elimination of prohibited forms of work.

5. Community involvement: 3 criteria

Commitments in favour of the economic and social development of the area in which the company operates / Consideration of the societal impact of the products and services developed by the company / Contributions by the company to causes of general interest

6. Governance: 4 criteria

Balance of powers and efficiency of the board of directors / Audit of control mechanisms / Shareholders' rights / Executive remuneration.

The issuer's overall ESG score is equal to the weighted average of the Criteria scores

An issuer's ESG rating is based on an absolute rating scale of 0 to 100, with 100 being the highest rating. The methodology used to calculate ESG ratings can be found in the Transparency Code published on the management company's website.

[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
- Prevention and control 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%.

“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

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.

SWING PRICING

In order to protect the UCI’s long-term unitholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the UCI’s outstandings, which may generate costs for unitholders entering and leaving the UCI that would otherwise have been allocated across all unitholders in the UCI. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of UCI units or shares exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the net assets in the UCI, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each unit or share category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each unit or share category in the UCI.

The cost parameters and trigger level shall be determined by the management company and shall be reviewed periodically, and at least every six months. These costs shall be estimated by the management company based on transaction fees, bid/offer spreads and tax charges applicable to the UCI.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the UCI, it is not possible to accurately predict a given time in the future at which swing pricing will be applied. Consequently, neither is it possible to predict the precise frequency at which the management company will have to make such adjustments, which shall not exceed 1% of the NAV (see prospectus). Investors should be aware that the volatility of the UCI’s NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

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

"Identified employees"

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

Note: the amounts are stated excluding charges

OTHER INFORMATION

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

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

www.lazardfreresgestion.fr

5. CERTIFICATION BY THE STATUTORY AUDITOR



61 rue Henri Regnault, La Défense
92400 Courbevoie
France
Tel.: +33 (0)1 49 97 60 00
Fax: +33 (0)1 49 97 60 01
www.mazars.fr

FCP LAZARD CAPITAL FI SRI

Statutory auditor's report on the annual financial statements

Financial year ended December 30th, 2022

FCP LAZARD CAPITAL FI SRI

25 rue de Courcelles
75008 Paris, France

Statutory auditor's report on the annual financial statements

Financial year ended December 30th, 2022

To the unitholders of the FCP LAZARD CAPITAL FI SRI,

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 CAPITAL FI SRI, as a French open-end investment fund (*fonds commun de placement - FCP*), for the financial year ended December 30th, 2022.

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.

Basis of our opinion

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 1st January 2022 to the date of issue of our report.

Basis of our opinions

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you that the most important assessments we carried out, in our professional judgement, focused on the appropriateness of the accounting principles applied, notably with regard to the financial instruments in the portfolio, and the overall presentation of the financial statements in accordance with the chart of accounts for open-end collective investment undertakings.

The assessments we have made are part of our audit of the annual financial statements as a whole and the opinion expressed above. We therefore 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 and persons charged with governance of 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 Fund.

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, 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.

The statutory auditor

Mazars

Signed at Courbevoie, date of electronic signature

Document authenticated and dated by electronic signature

DocuSigned by:

[Illegible Signature]

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26 April 2023

Gilles Dunand-Roux

6. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30/12/2022 in euros

ASSETS

	30/12/2022	31/12/2021
NET NON-CURRENT ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	1 178 719 419,26	1 235 419 285,02
Equities and similar securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Bonds and similar securities	1 073 537 881,63	1 202 023 347,14
Traded on a regulated or equivalent market	1 073 537 881,63	1 202 023 347,14
Not traded on a regulated or equivalent market		
Debt securities		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	104 415 511,22	32 048 374,73
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	104 415 511,22	32 048 374,73
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU		
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		
Temporary securities transactions		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
Forward financial instruments	766 026,41	1 347 563,15
Transactions on a regulated or equivalent market	766 026,41	1 347 563,15
Other transactions		
Other financial instruments		
RECEIVABLES	303 014 176,02	492 889 061,44
Currency forward exchange transactions	293 110 889,09	480 410 026,89
Other	9 903 286,93	12 479 034,55
FINANCIAL ACCOUNTS	13 012 892,14	41 622 994,42
Cash and cash equivalents	13 012 892,14	41 622 994,42
TOTAL ASSETS	1 494 746 487,42	1 769 931 340,88

LIABILITIES AND SHAREHOLDERS' EQUITY

	30/12/2022	31/12/2021
SHAREHOLDERS' EQUITY		
Share capital	1 140 922 506,74	1 216 658 135,09
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)	667,16	1 424,62
Net capital gains and losses for the year (a, b)	-1 067 166,72	10 323 028,48
Net income for the year (a,b)	58 144 601,54	50 046 685,60
TOTAL SHAREHOLDERS' EQUITY*	1 198 000 608,72	1 277 029 273,79
<i>* Sum representing the net assets</i>		
FINANCIAL INSTRUMENTS	766 026,24	1 347 563,15
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments	766 026,24	1 347 563,15
Transactions on a regulated or equivalent market	766 026,24	1 347 563,15
Other transactions		
LIABILITIES	295 979 852,46	491 554 503,94
Currency forward exchange transactions	287 795 916,94	488 677 275,81
Other	8 183 935,52	2 877 228,13
FINANCIAL ACCOUNTS		
Bank overdrafts		
Borrowings		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1 494 746 487,42	1 769 931 340,88

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS AT 30/12/2022 *in euros*

	30/12/2022	31/12/2021
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets		
Futures contracts		
FV CBOT UST 5 0322		53 187 135,51
FV CBOT UST 5 0323	14 258 245,13	
LIFFE LG GILT 0322		59 504 525,96
LIFFE LG GILT 0323	16 889 264,58	
EURO BOBL 0322		26 648 000,00
EURO BOBL 0323	263 215 500,00	
FGBL BUND 10A 0322		17 137 000,00
US 10YR NOTE 0322		57 364 030,07
Commitments on OTC markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

INCOME STATEMENT AT 30/12/2022 in euros

	30/12/2022	31/12/2021
Income from financial transactions		
Income from deposits and financial accounts	78 662,56	98,39
Income from equities and similar securities		
Income from bonds and similar securities	69 462 467,47	48 072 541,49
Income from debt securities		
Income from temporary purchases and sales of securities	4 125,32	3 716,40
Income from forward financial instruments		
Other financial income		
TOTAL (1)	69 545 255,35	48 076 356,28
Expenses related to financial transactions		
Expenses related to temporary purchases and sales of securities	19 007,15	6 093,08
Expenses related to forward financial instruments		
Expenses related to financial liabilities	22 808,56	12 842,47
Other financial charges		
TOTAL (2)	41 815,71	18 935,55
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	69 503 439,64	48 057 420,73
Other income (3)		
Management fees and depreciation and amortisation (4)	11 960 932,99	10 094 112,94
NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	57 542 506,65	37 963 307,79
Income adjustment for the financial year (5)	602 094,89	12 083 377,81
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	58 144 601,54	50 046 685,60

NOTES TO THE FINANCIAL STATEMENTS

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, truthfulness,
- prudence,
- permanence of the accounting methods used each year.

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 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.

- o **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 under the responsibility of the management company. These valuations and the related supporting documentation will be provided to the statutory auditor during audits.

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

- o **Negotiable debt securities:**

Negotiable debt securities are marked to market based on either Bloomberg prices (BVAL and/or BGN)® 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 net asset values are published monthly may be valued on the basis of interim net asset values 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 (overnight EONIA, 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 Fund'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 Fund'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 Fund's currency).

Swing Pricing

The management company has been applying a swing pricing adjustment to the net asset value with a trigger level since July 27th, 2015. Unitholders can consult information on this mechanism in the fund prospectus, which is available at the management company's head office and on its website.

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:

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

These amounts are then recorded in the Fund's income statement and paid on a regular basis 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 fees or variable management fees related to the performance.

Fees charged to the UCI	Basis	Units	Maximum rate (incl. taxes)
Financial management fees	Net assets	RVC EUR	1,715%
		RVD EUR	1,715%
		PVC EUR	0,965%
		PVD EUR	0,965%
		PC H-USD	1,250%
		PVC H-USD	0,965%
		PVC H-CHF	0,965%
		TVD EUR	0,965%
		SC EUR	0,700%
		SD EUR	0,700%
		PVD F EUR	0,70%
		PVC F EUR	0,70%
		PC EUR	1,20%
		PD H-USD	1,25%
		RD H-USD	2,00%
Operating and other service fees	Net assets	Applied to all units	0,035%
Indirect charges (management fees and expenses)	NA	Applied to all units	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 units	None
Performance fee	Net assets	RVC EUR, RVD EUR, PVC EUR, PVD EUR, PVC H-USD, PVC H-CHF, TVD EUR, PVD F EUR, PVC F EUR	15% of the Fund's outperformance relative to the benchmark index
		PC H-USD, SC EUR, SD EUR, PC EUR, PD H-USD, RD H-USD	None

Details of the calculation of the performance fee:

The performance fee corresponds to a variable charge and is contingent on the UCI outperforming its benchmark over the observation period.

If a provision is recognised at the end of the observation period, it is crystallised, i.e. it is definitively acquired and becomes payable to the Manager.

Calculation method

The calculation of the amount of the performance fee is based on a comparison between the performance of each unit of the UCI and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual UCI. The outperformance generated by the UCI unit on a given date is defined as the positive difference between the assets of the UCI unit and the assets of the notional UCI on the same date. If this difference is negative, this amount constitutes an underperformance that will have to be made up in the following years before a new provision can be made for the performance fee.

Negative performance recovery and reference period

As stated in the ESMA guidelines on performance fees, the reference period is “the time horizon over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset. This period is set at 5 years. This means that after 5 consecutive years without crystallisation, uncompensated underperformances prior to five years will no longer be taken into account in the calculation of the performance fee.

Observation period

The first observation period will start with a period of twelve months starting on 01/01/2022. At the end of each financial year, one of the following two cases may occur:

- The Fund’s unit underperformed over the observation period. In this case, no fee is charged and the observation period is extended by one year, up to a maximum of 5 years (reference period).
- The UCI unit outperformed over the observation period and recorded a positive absolute performance over the year. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

Provisioning

Each time the net asset value (NAV) is established, the performance fee is subject to a provision (of 15% of the outperformance) when the performance of the UCI unit is higher than that of the notional UCI over the observation period, or to a reversal of the provision limited to the existing allocation in case of underperformance. In case of redemptions during the period, the proportion of the provision corresponding to the number of units redeemed is definitively acquired and charged by the management company.

Crystallisation

The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months.

The first crystallisation period will end on the last day of the financial year ending on 30/12/2022.

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Net income:

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

Retained earnings are added, plus or minus the balance of the revenue adjustment account.

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>unit(s)</i>	<i>Allocation of net income</i>	<i>Allocation of net realised capital gains or losses</i>
LAZARD CAPITAL FI SRI FI PVC H- CHF units	Accumulation	Accumulation
LAZARD CAPITAL FI SRI PC EUR units	Accumulation	Accumulation
LAZARD CAPITAL FI SRI PC H USD units	Accumulation	Accumulation
LAZARD CAPITAL FI SRI PD-H- USD units	Distribution	Accumulation and/or Distribution and/or Retention as decided by the management company
LAZARD CAPITAL FI SRI PVC EUR units	Accumulation	Accumulation
LAZARD CAPITAL FI SRI PVC F EUR units	Accumulation	Accumulation
LAZARD CAPITAL FI SRI PVC H- USD units	Accumulation	Accumulation
LAZARD CAPITAL FI SRI PVD EUR units	Distribution	Accumulation
LAZARD CAPITAL FI SRI PVD F EUR units	Distribution	Distribution
LAZARD CAPITAL FI SRI RD H- USD units	Distribution	Accumulation and/or Distribution and/or Retention as decided by the management company
LAZARD CAPITAL FI SRI RVC EUR units	Accumulation	Accumulation and/or Distribution and/or Retention as decided by the management company
LAZARD CAPITAL FI SRI RVD EUR units	Distribution	Accumulation and/or Distribution and/or Retention as decided by the management company
LAZARD CAPITAL FI SRI SC EUR units	Accumulation	Accumulation
LAZARD CAPITAL FI SRI SD units	Distribution	Accumulation and/or Distribution and/or Retention as decided by the management company
LAZARD CAPITAL FI SRI TVD EUR units	Distribution	Accumulation and/or Distribution and/or Retention as decided by the management company

2. CHANGE IN NET ASSETS AT 30/12/2022 in euros

	30/12/2022	31/12/2021
NET ASSETS AT START OF YEAR	1 277 029 273,79	661 655 048,96
Subscriptions (including subscription fees retained by the Fund)	699 502 242,88	876 043 834,02
Redemptions (net of redemption fees retained by the Fund)	-633 804 153,64	-313 002 390,97
Realised capital gains on deposits and financial instruments	8 861 768,00	19 569 182,79
Realised capital losses on deposits and financial instruments	-17 699 507,40	-3 070 785,34
Realised capital gains on forward financial instruments	50 648 545,93	10 202 133,93
Realised capital losses on forward financial instruments	-46 254 131,84	-18 725 830,34
Transaction charges	-213 435,15	-39 860,34
Exchange rate differences	10 585 292,37	8 273 435,22
Changes in valuation difference of deposits and financial instruments	-201 828 835,20	2 210 692,60
<i>Valuation difference for financial year N</i>	<i>-151 866 587,19</i>	<i>49 962 248,01</i>
<i>Valuation difference for financial year N-1</i>	<i>-49 962 248,01</i>	<i>-47 751 555,41</i>
Changes in valuation difference of forward financial instruments	1 277 411,99	-583 563,15
<i>Valuation difference for financial year N</i>	<i>693 848,84</i>	<i>-583 563,15</i>
<i>Valuation difference for financial year N-1</i>	<i>583 563,15</i>	
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year	-7 646 369,66	-3 465 931,38
Net profit/loss for the financial year prior to income adjustment	57 542 506,65	37 963 307,79
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		
NET ASSETS AT END OF YEAR	1 198 000 608,72	1 277 029 273,79

3. ADDITIONAL INFORMATION

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
Fixed-rate bonds traded on a regulated or similar market	985 376 920,07	82,25
Fixed-rate bonds traded on a regulated or similar market	77 655 919,64	6,48
Convertible bonds traded on a regulated or equivalent market	10 505 041,92	0,88
TOTAL BONDS AND SIMILAR SECURITIES	1 073 537 881,63	89,61
DEBT SECURITIES		
TOTAL DEBT SECURITIES		
LIABILITIES AND SHAREHOLDERS' EQUITY		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
Interest rate	294 363 009,71	24,57
TOTAL HEDGING TRANSACTIONS	294 363 009,71	24,57
OTHER TRANSACTIONS		
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	%
ASSETS								
Deposits								
Bonds and similar securities	1 003 268 386,10	83,75			70 269 495,53	5,87		
Debt securities								
Temporary securities transactions								
Financial accounts							13 012 892,14	1,09
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions	294 363 009,71	24,57						
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	%
ASSETS										
Deposits										
Bonds and similar securities			7 565 727,80	0,63	4 550 497,83	0,38			1 061 421 656,00	88,60
Debt securities										
Temporary securities transactions										
Financial accounts	13 012 892,14	1,09								
LIABILITIES AND SHAREHOLDERS' EQUITY										
Temporary securities transactions										
Financial accounts										
OFF-BALANCE SHEET										
Hedging transactions							277 473 745,13	23,16	16 889 264,58	1,41
Other transactions										

(*) Positions in interest rate futures are shown 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 USD		Currency 2 GBP		Currency 3 CHF		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and similar securities								
Bonds and similar securities	133 977 266,38	11,18	130 621 933,75	10,90	10 302 385,11	0,86		
Debt securities								
UCIs								
Temporary securities transactions								
Receivables	26 725 239,26	2,23	19 633 136,10	1,64	219 062,83	0,02		
Financial accounts	1 809 627,84	0,15	4 218 011,10	0,35	23 198,24			
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities	83 720 731,76	6,99	148 884 756,27	12,43	9 939 875,05	0,83		
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions	14 258 245,13	1,19	16 889 264,58	1,41				
Other transactions								

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	30/12/2022
RECEIVABLES		
	Forward currency purchases	44 743 428,57
	Receivables on forward currency sales	248 367 460,52
	Subscription receivables	421 518,31
	Margin cash deposits	7 462 097,43
	Coupons and dividends in cash	999 671,19
	Collateral	1 020 000,00
TOTAL RECEIVABLES		303 014 176,02
LIABILITIES		
	Forward currency sales	242 491 793,75
	Payables on forward currency purchases	45 304 123,19
	Redemptions payable	235 075,63
	Fixed management fees	894 209,18
	Variable management fees	1 904 650,71
	Collateral	5 150 000,00
TOTAL LIABILITIES		295 979 852,46
TOTAL LIABILITIES AND RECEIVABLES		7 034 323,56

3.6. SHAREHOLDERS' EQUITY

3.6.1. Number of securities issued or redeemed

	In units	In amounts
LAZARD CAPITAL FI SRI FI PVC H-CHF units		
Units subscribed during the financial year	3,044	3 173,22
Units redeemed during the financial year	-35,000	-35 830,90
Net balance of subscriptions/redemptions	-31,956	-32 657,68
Number of outstanding units at end of financial year	210,544	
LAZARD CAPITAL FI SRI PC EUR units		
Units subscribed during the financial year	9 571,000	9 063 024,40
Units redeemed during the financial year	-400,000	-378 768,00
Net balance of subscriptions/redemptions	9 171,000	8 684 256,40
Number of outstanding units at end of financial year	9 171,000	
LAZARD CAPITAL FI SRI PC H USD units		
Units subscribed during the financial year	340,000	334 787,80
Units redeemed during the financial year	-66,421	-65 755,33
Net balance of subscriptions/redemptions	273,579	269 032,47
Number of outstanding units at end of financial year	450,000	

	In units	In amounts
LAZARD CAPITAL FI SRI PD-H-USD units		
Units subscribed during the financial year	1,000	903,55
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	903,55
Number of outstanding units at end of financial year	1,000	
LAZARD CAPITAL FI SRI PVC EUR units		
Units subscribed during the financial year	97 643,091	197 432 168,28
Units redeemed during the financial year	-112 997,468	-226 774 756,70
Net balance of subscriptions/redemptions	-15 354,377	-29 342 588,42
Number of outstanding units at end of financial year	139 031,486	
LAZARD CAPITAL FI SRI PVC F EUR units		
Units subscribed during the financial year	17 314,228	16 354 736,87
Units redeemed during the financial year	-57,988	-54 556,47
Net balance of subscriptions/redemptions	17 256,240	16 300 180,40
Number of outstanding units at end of financial year	17 256,240	
LAZARD CAPITAL FI SRI PVC H-USD units		
Units subscribed during the financial year	1 413,793	2 052 748,39
Units redeemed during the financial year	-992,609	-1 445 283,83
Net balance of subscriptions/redemptions	421,184	607 464,56
Number of outstanding units at end of financial year	10 419,934	
LAZARD CAPITAL FI SRI PVD EUR units		
Units subscribed during the financial year	76,025	7 973 755,00
Units redeemed during the financial year	-39,748	-4 139 933,57
Net balance of subscriptions/redemptions	36,277	3 833 821,43
Number of outstanding units at end of financial year	621,603	
LAZARD CAPITAL FI SRI PVD F EUR units		
Units subscribed during the financial year	254,720	244 170,65
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	254,720	244 170,65
Number of outstanding units at end of financial year	254,720	
LAZARD CAPITAL FI SRI RD H-USD units		
Units subscribed during the financial year	1,000	903,95
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	903,95
Number of outstanding units at end of financial year	1,000	
LAZARD CAPITAL FI SRI RVC EUR units		
Units subscribed during the financial year	161 585,049	17 728 456,02
Units redeemed during the financial year	-17 399,867	-1 934 249,79
Net balance of subscriptions/redemptions	144 185,182	15 794 206,23
Number of outstanding units at end of financial year	220 258,988	

	In units	In amounts
LAZARD CAPITAL FI SRI RVD EUR units		
Units subscribed during the financial year	119 775,992	15 745 484,84
Units redeemed during the financial year	-142 651,786	-17 742 359,04
Net balance of subscriptions/redemptions	-22 875,794	-1 996 874,20
Number of outstanding units at end of financial year	80 017,942	
LAZARD CAPITAL FI SRI SC EUR units		
Units subscribed during the financial year	33 913,435	410 767 780,46
Units redeemed during the financial year	-31 454,358	-375 606 390,68
Net balance of subscriptions/redemptions	2 459,077	35 161 389,78
Number of outstanding units at end of financial year	56 617,126	
LAZARD CAPITAL FI SRI SD units		
Units subscribed during the financial year	2 096,000	19 998 229,44
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	2 096,000	19 998 229,44
Number of outstanding units at end of financial year	11 424,926	
LAZARD CAPITAL FI SRI TVD EUR units		
Units subscribed during the financial year	19 006,077	1 801 920,01
Units redeemed during the financial year	-57 363,686	-5 626 269,33
Net balance of subscriptions/redemptions	-38 357,609	-3 824 349,32
Number of outstanding units at end of financial year	85 294,627	

3.6.2. Subscription and/or redemption fees

	In amounts
LAZARD CAPITAL FI SRI FI PVC H-CHF units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PC EUR units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PC H USD units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

	In amounts
LAZARD CAPITAL FI SRI PD-H-USD units Total fees acquired Subscription fees acquired Redemption fees acquired	
LAZARD CAPITAL FI SRI PVC EUR units Total fees acquired Subscription fees acquired Redemption fees acquired	
LAZARD CAPITAL FI SRI PVC F EUR units Total fees acquired Subscription fees acquired Redemption fees acquired	
LAZARD CAPITAL FI SRI PVC H-USD units Total fees acquired Subscription fees acquired Redemption fees acquired	
LAZARD CAPITAL FI SRI PVD EUR units Total fees acquired Subscription fees acquired Redemption fees acquired	
LAZARD CAPITAL FI SRI PVD F EUR units Total fees acquired Subscription fees acquired Redemption fees acquired	
LAZARD CAPITAL FI SRI RD H-USD units Total fees acquired Subscription fees acquired Redemption fees acquired	
LAZARD CAPITAL FI SRI RVC EUR units Total fees acquired Subscription fees acquired Redemption fees acquired	
LAZARD CAPITAL FI SRI RVD EUR units Total fees acquired Subscription fees acquired Redemption fees acquired	
LAZARD CAPITAL FI SRI SC EUR units Total fees acquired Subscription fees acquired Redemption fees acquired	

	In amounts
LAZARD CAPITAL FI SRI SD units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI TVD EUR units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

3.7. MANAGEMENT FEES

	30/12/2022
LAZARD CAPITAL FI SRI FI PVC H-CHF units	
Guarantee fees	
Fixed management fees	2 285,19
Percentage of fixed management fees	0,99
Provisioned variable management fees	954,73
Percentage of variable management fees provisioned	0,42
Variable management fees earned	161,61
Percentage of variable management fees earned	0,07
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PC EUR units	
Guarantee fees	
Fixed management fees	888,98
Percentage of fixed management fees	1,23
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	

“The amount of variable management fees shown above corresponds to the sum of the provisions and reversals of provisions that impacted the net assets during the period under review.”

	30/12/2022
LAZARD CAPITAL FI SRI PC H USD units	
Guarantee fees	
Fixed management fees	2 211,98
Percentage of fixed management fees	1,28
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PD-H-USD units	
Guarantee fees	
Fixed management fees	9,29
Percentage of fixed management fees	1,21
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PVC EUR units	
Guarantee fees	
Fixed management fees	2 941 620,68
Percentage of fixed management fees	1,00
Provisioned variable management fees	775 882,26
Percentage of variable management fees provisioned	0,26
Variable management fees earned	651 083,81
Percentage of variable management fees earned	0,22
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PVC F EUR units	
Guarantee fees	
Fixed management fees	11 448,71
Percentage of fixed management fees	0,73
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	

“The amount of variable management fees shown above corresponds to the sum of the provisions and reversals of provisions that impacted the net assets during the period under review.”

	30/12/2022
LAZARD CAPITAL FI SRI PVC H-USD units	
Guarantee fees	
Fixed management fees	144 247,63
Percentage of fixed management fees	1,00
Provisioned variable management fees	44 909,01
Percentage of variable management fees provisioned	0,31
Variable management fees earned	6 577,69
Percentage of variable management fees earned	0,05
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PVD EUR units	
Guarantee fees	
Fixed management fees	616 267,96
Percentage of fixed management fees	1,00
Provisioned variable management fees	271 255,30
Percentage of variable management fees provisioned	0,44
Variable management fees earned	20 520,13
Percentage of variable management fees earned	0,03
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PVD F EUR units	
Guarantee fees	
Fixed management fees	100,53
Percentage of fixed management fees	0,71
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CAPITAL FI SRI RD H-USD units	
Guarantee fees	
Fixed management fees	15,21
Percentage of fixed management fees	1,99
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	

“The amount of variable management fees shown above corresponds to the sum of the provisions and reversals of provisions that impacted the net assets during the period under review.”

	30/12/2022
LAZARD CAPITAL FI SRI RVC EUR units	
Guarantee fees	
Fixed management fees	267 520,56
Percentage of fixed management fees	1,75
Provisioned variable management fees	43 373,79
Percentage of variable management fees provisioned	0,28
Variable management fees earned	4 703,21
Percentage of variable management fees earned	0,03
Retrocessions of management fees	
LAZARD CAPITAL FI SRI RVD EUR units	
Guarantee fees	
Fixed management fees	258 575,66
Percentage of fixed management fees	1,75
Provisioned variable management fees	13 507,40
Percentage of variable management fees provisioned	0,09
Variable management fees earned	20 077,89
Percentage of variable management fees earned	0,14
Retrocessions of management fees	
LAZARD CAPITAL FI SRI SC EUR units	
Guarantee fees	
Fixed management fees	5 006 390,83
Percentage of fixed management fees	0,73
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CAPITAL FI SRI SD units	
Guarantee fees	
Fixed management fees	713 498,29
Percentage of fixed management fees	0,73
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	

“The amount of variable management fees shown above corresponds to the sum of the provisions and reversals of provisions that impacted the net assets during the period under review.”

	30/12/2022
LAZARD CAPITAL FI SRI TVD EUR units	
Guarantee fees	
Fixed management fees	92 143,54
Percentage of fixed management fees	0,99
Provisioned variable management fees	31 408,24
Percentage of variable management fees provisioned	0,34
Variable management fees earned	19 292,88
Percentage of variable management fees earned	0,21
Retrocessions of management fees	

“The amount of variable management fees shown above corresponds to the sum of the provisions and reversals of provisions that impacted the net assets during the period under review.”

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

	30/12/2022
Securities held under repurchase agreements	
Borrowed securities	

3.9.2. Present value of financial instruments representing security deposits

	30/12/2022
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	30/12/2022
Equities			
Bonds			
Negotiable debt securities			
UCIs			104 415 511,22
	FR0010941815	LAZARD EURO MONEY MARKET "B"	28 206 935,81
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET "C"	76 208 575,41
Forward financial instruments			
Total group securities			104 415 511,22

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	30/12/2022	31/12/2021
Remaining amounts to be allocated		
Retained earnings	667,16	1 424,62
Net income	58 144 601,54	50 046 685,60
Total	58 145 268,70	50 048 110,22

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI FI PVC H-CHF units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	9 451,91	9 055,91
Total	9 451,91	9 055,91

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	363 766,54	
Total	363 766,54	

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PC H USD units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	20 202,49	6 185,44
Total	20 202,49	6 185,44

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PD-H-USD units		
Appropriation		
Distribution	38,05	
Balance brought forward for the financial year		
Accumulation		
Total	38,05	
Information on units with dividend rights		
Number of units	1,000	
Dividend per unit	38,05	
Tax credit		
Tax credit attached to the distribution of earnings		

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	12 044 772,34	11 919 154,59
Total	12 044 772,34	11 919 154,59

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVC F EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	642 808,78	
Total	642 808,78	

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVC H-USD units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	666 380,59	516 237,94
Total	666 380,59	516 237,94

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVD EUR units		
Appropriation		
Distribution	2 811 168,49	2 445 972,00
Balance brought forward for the financial year	0,26	2,12
Accumulation		
Total	2 811 168,77	2 445 974,12
Information on units with dividend rights		
Number of units	621,603	585,326
Dividend per unit	4 522,45	4 178,82
Tax credit		
Tax credit attached to the distribution of earnings	8,76	18,75

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVD F EUR units		
Appropriation		
Distribution	9 707,38	
Balance brought forward for the financial year	0,79	
Accumulation		
Total	9 708,19	
Information on units with dividend rights		
Number of units	254,720	
Dividend per unit	38,11	
Tax credit		
Tax credit attached to the distribution of earnings		

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI RD H-USD units		
Appropriation		
Distribution	31,95	
Balance brought forward for the financial year		
Accumulation		
Total	31,95	
Information on units with dividend rights		
Number of units	1,000	
Dividend per unit	31,95	
Tax credit		
Tax credit attached to the distribution of earnings		

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI RVC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	897 567,20	270 185,03
Total	897 567,20	270 185,03

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI RVD EUR units		
Appropriation		
Distribution	372 083,43	428 037,94
Balance brought forward for the financial year	164,68	73,34
Accumulation		
Total	372 248,11	428 111,28
Information on units with dividend rights		
Number of units	80 017,942	102 893,736
Dividend per unit	4,65	4,16
Tax credit		
Tax credit attached to the distribution of earnings	1,36	

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI SC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	34 369 093,19	29 677 824,74
Total	34 369 093,19	29 677 824,74

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI SD units		
Appropriation		
Distribution	5 583 475,59	4 299 701,99
Balance brought forward for the financial year	70,03	34,37
Accumulation		
Total	5 583 545,62	4 299 736,36
Information on units with dividend rights		
Number of units	11 424,926	9 328,926
Dividend per unit	488,71	460,90
Tax credit		
Tax credit attached to the distribution of earnings	14,89	27,67

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI TVD EUR units		
Appropriation		
Distribution	353 972,70	474 824,59
Balance brought forward for the financial year	512,45	820,22
Accumulation		
Total	354 485,15	475 644,81
Information on units with dividend rights		
Number of units	85 294,627	123 652,236
Dividend per unit	4,15	3,84
Tax credit		
Tax credit attached to the distribution of earnings	1,10	

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

	30/12/2022	31/12/2021
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	-1 067 166,72	10 323 028,48
Interim dividends paid on net capital gains/losses for the financial year		
Total	-1 067 166,72	10 323 028,48

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI FI PVC H-CHF units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	11 530,48	11 313,99
Total	11 530,48	11 313,99

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-16 480,06	
Total	-16 480,06	

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PC H USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	35 769,71	14 297,88
Total	35 769,71	14 297,88

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PD-H-USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	82,32	
Total	82,32	

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-536 776,71	2 454 307,76
Total	-536 776,71	2 454 307,76

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVC F EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-19 532,31	
Total	-19 532,31	

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVC H-USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	1 193 380,91	1 172 854,73
Total	1 193 380,91	1 172 854,73

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-133 559,49	510 318,48
Total	-133 559,49	510 318,48

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI PVD F EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-293,50	
Total	-293,50	

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI RD H-USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	82,45	
Total	82,45	

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI RVC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-47 017,08	67 659,17
Total	-47 017,08	67 659,17

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI RVD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		108 416,68
Accumulation	-20 460,87	
Total	-20 460,87	108 416,68

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI SC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-1 291 127,34	5 132 912,59
Total	-1 291 127,34	5 132 912,59

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI SD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		752 094,68
Accumulation	-225 958,59	
Total	-225 958,59	752 094,68

	30/12/2022	31/12/2021
LAZARD CAPITAL FI SRI TVD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		98 852,52
Accumulation	-16 806,64	
Total	-16 806,64	98 852,52

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

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
Global net assets in euros	291 008 007,21	382 340 536,61	661 655 048,96	1 277 029 273,79	1 198 000 608,72
LAZARD CAPITAL FI SRI FI PVC H-CHF units in CHF					
Net assets in CHF	165 997,85	192 386,27	377 911,10	277 916,88	215 001,49
Number of units	165,000	165,000	350,000	242,500	210,544
Net asset value per unit in CHF	1 006,04	1 165,97	1 079,74	1 146,04	1 021,17
Accumulation per unit pertaining to net capital gains/losses in euros	7,68	15,03	6,52	46,65	54,76
Accumulation per unit pertaining to income in euros	38,89	39,61	3,26	37,34	44,89
LAZARD CAPITAL FI SRI PC EUR units in EUR					
Net assets					8 668 546,82
Number of units					9 171,000
Net asset value per unit					945,21
Accumulation per unit pertaining to net capital gains/losses					-1,79
Accumulation per unit pertaining to income					39,66
LAZARD CAPITAL FI SRI PC H USD units in USD					
Net assets in USD			745 044,27	201 227,09	468 961,05
Number of units			701,000	176,421	450,000
Net asset value per unit in USD			1 062,83	1 140,60	1 042,13
Accumulation per unit pertaining to net capital gains/losses in euros			-19,20	81,04	79,48
Accumulation per unit pertaining to income in euros			36,99	35,06	44,89

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
LAZARD CAPITAL FI SRI PD-H-USD units in USD					
Net assets in USD					962,94
Number of units					1,000
Net asset value per unit in USD					962,94
Accumulation per unit pertaining to net capital gains/losses in euros					82,32
Distribution of income per unit in euros					38,03
Tax credit per unit in euros					
LAZARD CAPITAL FI SRI PVC EUR units in EUR					
Net assets	199 969 711,76	254 732 613,09	304 292 033,78	339 803 996,24	273 444 299,39
Number of units	122 096,041	133 816,985	147 123,302	154 385,863	139 031,486
Net asset value per unit	1 637,80	1 903,58	2 068,27	2 201,00	1 966,77
Accumulation per unit pertaining to net capital gains/losses	-22,26	-13,72	106,19	15,89	-3,86
Accumulation per unit pertaining to income	75,17	69,64	60,06	77,20	86,63
LAZARD CAPITAL FI SRI PVC F EUR units in EUR					
Net assets					16 582 365,48
Number of units					17 256,240
Net asset value per unit					960,94
Accumulation per unit pertaining to net capital gains/losses					-1,13
Accumulation per unit pertaining to income					37,25

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
LAZARD CAPITAL FI SRI PVC H-USD units in USD					
Net assets in USD	1 583 392,79	3 460 435,25	4 488 743,86	16 504 699,48	15 707 781,56
Number of units	1 361,367	2 493,363	2 914,871	9 998,750	10 419,934
Net asset value per unit in USD	1 163,09	1 387,85	1 539,94	1 650,67	1 507,47
Accumulation per unit pertaining to net capital gains/losses in euros	53,91	33,17	-22,12	117,30	114,52
Accumulation per unit pertaining to income in euros	45,16	43,56	39,83	51,63	63,95
LAZARD CAPITAL FI SRI PVD EUR units in EUR					
Net assets	34 792 786,69	49 894 427,41	55 061 743,67	69 573 714,58	63 575 736,93
Number of units	348,131	449,495	477,883	585,326	621,603
Net asset value per unit	99 941,65	111 001,07	115 220,13	118 863,18	102 277,07
Accumulation per unit pertaining to net capital gains/losses	-1 304,82	-895,89	6 018,63	871,85	-214,86
Distribution of income per unit:	4 616,12	4 107,58	3 598,16	4 178,82	4 522,45
Tax credit per unit					(*)
LAZARD CAPITAL FI SRI PVD F EUR units in EUR					
Net assets					244 998,09
Number of units					254,720
Net asset value per unit					961,83
Accumulation per unit pertaining to net capital gains/losses					-1,15
Distribution of income per unit:					38,11
Tax credit per unit					

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
LAZARD CAPITAL FI SRI RD H-USD units in USD					
Net assets in USD					956,49
Number of units					1,000
Net asset value per unit in USD					956,49
Accumulation per unit pertaining to net capital gains/losses in euros					82,45
Distribution of income per unit in euros					31,97
Tax credit per unit in euros					
LAZARD CAPITAL FI SRI RVC EUR units in EUR					
Net assets	93,33	6 459 680,20	4 869 404,11	9 345 610,20	24 018 322,90
Number of units	1,000	59 869,759	41 912,543	76 073,806	220 258,988
Net asset value per unit	93,33	107,89	116,18	122,84	109,04
Accumulation per unit pertaining to net capital gains/losses	-2,42	-0,81	5,98	0,88	-0,21
Accumulation per unit pertaining to income	4,04	3,38	2,50	3,55	4,07
LAZARD CAPITAL FI SRI RVD EUR units in EUR					
Net assets	15 424 496,03	14 756 848,35	7 190 084,43	14 788 513,15	9 897 892,44
Number of units	127 687,827	109 955,974	51 578,988	102 893,736	80 017,942
Net asset value per unit	120,79	134,20	139,39	143,72	123,69
net capital gains/losses per unit not distributed				1,05	
Accumulation per unit pertaining to net capital gains/losses	-1,58	-1,07	7,28		-0,25
Distribution of income per unit:	4,76	4,17	3,54	4,16	4,65
Tax credit per unit					(*)

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
LAZARD CAPITAL FI SRI SC EUR units in EUR					
Net assets	25 636 511,82	40 603 297,31	246 040 055,35	712 445 872,50	670 084 841,42
Number of units	2 672,470	3 627,530	20 040,184	54 158,049	56 617,126
Net asset value per unit	9 592,81	11 193,09	12 277,33	13 154,93	11 835,37
Accumulation per unit pertaining to net capital gains/losses	-53,62	-80,25	626,58	94,77	-22,80
Accumulation per unit pertaining to income	187,51	449,69	464,48	547,98	607,04
LAZARD CAPITAL FI SRI SD units in EUR					
Net assets			26 812 205,21	102 635 152,73	108 107 477,16
Number of units			2 523,383	9 328,926	11 424,926
Net asset value per unit			10 625,49	11 001,81	9 462,42
net capital gains/losses per unit not distributed				80,61	
Accumulation per unit pertaining to net capital gains/losses			539,86		-19,77
Distribution of income per unit:			366,75	460,90	488,71
Tax credit per unit					(*)
LAZARD CAPITAL FI SRI TVD EUR units in EUR					
Net assets	13 651 988,96	12 633 888,86	12 762 562,88	13 477 790,45	7 999 188,57
Number of units	148 984,038	123 894,896	120 811,027	123 652,236	85 294,627
Net asset value per unit	91,63	101,97	105,64	108,99	93,78
net capital gains/losses per unit not distributed				0,79	
Accumulation per unit pertaining to net capital gains/losses	-1,41	-0,82	5,52		-0,19
Distribution of income per unit:	4,15	3,87	3,29	3,84	4,15
Tax credit per unit					(*)

* 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
Bonds and similar securities				
Bonds and similar securities traded on a regulated or similar market				
GERMANY				
CMZB FRANCFORT 6.125% PERP	EUR	26 000 000	25 390 180,68	2,12
DEUT BANK AG 7.125% 31-12-99	GBP	25 100 000	26 946 210,28	2,25
DEUT P CMS10R+0.025% 31-12-99	EUR	2 200 000	1 580 604,48	0,13
DEUTSCHE BANK AG 7.5% PERP	USD	12 400 000	11 469 624,18	0,96
DEUTSCHE BK 10.0% PERP	EUR	4 400 000	4 618 585,97	0,39
DEUTSCHE BK 4.5% PERP	EUR	16 200 000	13 189 235,55	1,10
DEUTSCHE BK AUTRE V PERP	EUR	8 000 000	7 386 424,11	0,62
DEUTSCHE BK USSW5+4.358% PERP	USD	16 600 000	13 627 304,49	1,14
DEUTSCHE PFANDBRIEFBANK AG 5.75% PERP	EUR	21 000 000	16 856 249,79	1,40
OLDENBURGISCHE LANDESBANK AG 6.0% PERP	EUR	7 000 000	5 941 868,01	0,49
TOTAL GERMANY			127 006 287,54	10,60
AUSTRIA				
RAIFFEISEN BANK INTL AG 4.5% PERP	EUR	2 600 000	1 841 876,14	0,15
RAIFFEISEN BANK INTL AG 6.0% PERP	EUR	51 400 000	42 143 984,02	3,52
VILKSBANK WIEN AG 7.75% PERP	EUR	17 000 000	16 512 532,47	1,38
TOTAL AUSTRIA			60 498 392,63	5,05
BELGIUM				
BELFIUS BANK 3.625% PERP	EUR	15 000 000	11 957 886,68	1,00
FORTIS BK TV07-191272 CV	EUR	16 750 000	13 289 324,38	1,10
TOTAL BELGIUM			25 247 211,06	2,10
SPAIN				
ABANCA CORPORACION BANCARIA 6.0% PERP	EUR	11 200 000	9 959 356,52	0,83
ABANCA CORPORACION BANCARIA 7.5% PERP	EUR	22 400 000	22 096 890,67	1,84
BANCO DE BADELL 5.0% PERP	EUR	21 600 000	17 016 569,22	1,42
BANCO DE BADELL 5.75% PERP	EUR	5 400 000	4 724 512,50	0,39
BANCO DE BADELL EUSA5+6.051% PERP	EUR	33 600 000	33 112 789,96	2,77
BANCO DE CREDITO SOCIAL 5.25% 27-11-31	EUR	23 000 000	19 465 404,11	1,63
BANCO NTANDER 3.625% PERP	EUR	8 000 000	5 572 512,22	0,46
BBVA 6.0% PERP	EUR	13 000 000	12 684 468,33	1,06
CAIXABANK 3.625% PERP	EUR	14 400 000	10 172 072,00	0,85
CAIXABANK 5.25% PERP	EUR	20 000 000	17 373 183,33	1,45
IBERCAJA 7.0% PERP	EUR	24 200 000	23 422 680,22	1,96
UNICAJA BAN 4.875% PERP	EUR	41 000 000	30 038 803,75	2,51
TOTAL SPAIN			205 639 242,83	17,17
UNITED STATES				
DEUT POST CMS10R+0.125% PERP	EUR	1 500 000	1 093 744,42	0,09
TOTAL UNITED STATES			1 093 744,42	0,09
GREECE				
ALPHA BANK 4.25% 13-02-30 EMTN	EUR	20 000 000	17 069 320,55	1,42
ALPHA BANK 5.5% 11-06-31	EUR	20 500 000	17 346 917,47	1,45
EFG EUROBANK 10.0% 06-12-32	EUR	5 100 000	5 247 498,29	0,44
NATL BANK OF GREECE 8.25% 18-07-29	EUR	15 000 000	15 488 604,45	1,30

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
PIRAEUS FINANCIAL 5.5% 19-02-30	EUR	21 463 000	19 062 423,72	1,59
PIRAEUS FINANCIAL 8.75% PERP	EUR	14 199 000	11 400 049,43	0,95
PIRAEUS FINANCIAL 9.75% 26-06-29	EUR	13 179 000	13 552 104,71	1,13
TOTAL GREECE			99 166 918,62	8,28
IRELAND				
AIB GROUP 5.25% PERP	EUR	19 861 000	18 578 453,01	1,56
AIB GROUP 6.25% PERP	EUR	4 400 000	4 134 784,44	0,34
BANK OF CYPRUS 12.5% PERP EMTN	EUR	25 158 000	24 827 416,97	2,07
BANK OF CYPRUS 6.625% 23-10-31	EUR	12 600 000	11 028 509,01	0,92
BK IRELAND GROUP 6.0% PERP	EUR	18 000 000	17 156 834,75	1,43
PERMANENT TSB GROUP 13.25% PERP	EUR	10 800 000	11 931 372,99	1,00
PERMANENT TSB GROUP 7.875% PERP	EUR	2 000 000	1 842 028,23	0,15
TOTAL IRELAND			89 499 399,40	7,47
ICELAND				
ARION BANK 6.25% PERP	USD	9 350 000	7 685 124,45	0,65
TOTAL ICELAND			7 685 124,45	0,65
ITALY				
BANCA POPOLARE DI SONDRIO SCPA 3.875% 25-02-32	EUR	6 950 000	5 865 614,35	0,49
BANCO BPM 6.125% PERP	EUR	11 900 000	11 322 422,51	0,94
BANCO BPM 7.0% PERP	EUR	7 900 000	7 101 677,65	0,60
BFF BANK 5.875% PERP	EUR	10 000 000	9 056 906,52	0,75
INTE 5.5% PERP EMTN	EUR	27 000 000	22 847 394,03	1,91
INTE 6.375% PERP	EUR	20 000 000	17 548 360,99	1,46
UNICREDIT 3.875% PERP EMTN	EUR	14 000 000	10 505 041,92	0,88
UNICREDIT SPA 6.625% PERP	EUR	6 043 000	5 891 817,26	0,49
UNIPOLSAI 6.375% PERP	EUR	9 000 000	8 279 724,07	0,69
TOTAL ITALY			98 418 959,30	8,21
JERSEY				
HSBC CAPIT TF/TV PERP PF *EUR	USD	6 500 000	7 350 301,71	0,62
TOTAL JERSEY			7 350 301,71	0,62
NETHERLANDS				
LEASEPLAN CORPORATION NV 7.375% PERP	EUR	35 000 000	34 960 293,37	2,92
VAN LANSCHOT KEMPEN WEALTH MANAGEMENT NV 6.75% PERP	EUR	4 000 000	3 819 000,00	0,31
TOTAL NETHERLANDS			38 779 293,37	3,23
PORTUGAL				
BCP 3.871% 27-03-30 EMTN	EUR	20 600 000	16 928 718,51	1,42
BCP 4.0% 17-05-32	EUR	10 000 000	7 309 250,68	0,61
BCP 9.25% PERP	EUR	37 000 000	33 103 787,39	2,76
NOVO BAN 3.5% 23-07-24	EUR	4 700 000	4 550 497,83	0,38
NOVO BAN 8.5% 06-07-28	EUR	27 800 000	27 657 822,04	2,31
NOVO BAN E3R+4.776% 15-09-23	EUR	7 600 000	7 565 727,80	0,63
TOTAL PORTUGAL			97 115 804,25	8,11
UNITED KINGDOM				
BARCLAYS PLC 5.875% PERP	GBP	39 200 000	40 731 801,88	3,40
DIRECT LINE INSURANCE PLC 4.75% PERP	GBP	17 100 000	14 379 193,93	1,20

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
DRESDR FIN 8.151% 30/06/31*USD	USD	7 065 000	6 837 273,32	0,57
ESURE GROUP 6.0% PERP	GBP	6 000 000	4 909 299,09	0,41
HSBC BANK 5.844% PERP EMTN	GBP	2 000 000	2 341 293,81	0,20
STANDARD CHARTERED 7.75% PERP	USD	20 800 000	19 864 089,32	1,65
STANDARD LIFE 5.25% PERP	GBP	23 103 000	20 766 761,26	1,73
VIRGIN MONEY UK 8.25% PERP	GBP	20 000 000	20 547 373,50	1,72
TOTAL UNITED KINGDOM			130 377 086,11	10,88
SLOVENIA				
NOVA LJUBLJANSKA BANKA DD 10.75% 28-11-32	EUR	8 000 000	8 214 181,92	0,68
TOTAL SLOVENIA			8 214 181,92	0,68
SWITZERLAND				
CREDIT SUISSE GROUP AG FIX PERP	CHF	6 400 000	5 174 050,74	0,43
CRED SUIS SA GROUP AG 3.5% PERP	CHF	7 000 000	5 128 334,37	0,42
CRED SUIS SA GROUP AG 5.1% PERP	USD	4 000 000	2 284 019,68	0,19
CRED SUIS SA GROUP AG 6,375% PERP	USD	42 450 000	29 742 444,83	2,49
CRED SUIS SA GROUP AG 7.25% PERP	USD	50 000 000	35 117 084,40	2,94
TOTAL SWITZERLAND			77 445 934,02	6,47
TOTAL Bonds and similar securities traded on a regulated or similar market			1 073 537 881,63	89,61
TOTAL Bonds and similar securities			1 073 537 881,63	89,61
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD EURO MONEY MARKET "B"	EUR	27,696	28 206 935,81	2,36
LAZARD EURO SHORT TERM MONEY MARKET "C"	EUR	38 547	76 208 575,41	6,36
TOTAL FRANCE			104 415 511,22	8,72
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			104 415 511,22	8,72
TOTAL Undertakings for collective investment			104 415 511,22	8,72
Forward financial instruments				
Futures contracts				
Futures contracts on a regulated or equivalent market				
EURO BOBL 0323	EUR	-2 274	709 294,62	0,05
FV CBOT UST 5 0323	USD	-141	20 642,94	
LIFFE LG GILT 0323	GBP	-150	-36 088,72	
TOTAL Futures contracts on a regulated or equivalent market			693 848,84	0,05
TOTAL Futures contracts			693 848,84	0,05
TOTAL Forward financial instruments			693 848,84	0,05
Margin call				
CACEIS MARGIN CALL	USD	-22 031,13	-20 642,90	
CACEIS MARGIN CALL	EUR	-709 294,62	-709 294,62	-0,06
CACEIS MARGIN CALL	GBP	32 019,83	36 088,85	0,01
TOTAL Margin call			-693 848,67	-0,05

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Receivables			303 014 176,02	25,29
Liabilities			-295 979 852,46	-24,71
Financial accounts			13 012 892,14	1,09
Net assets			1 198 000 608,72	100,00

LAZARD CAPITAL FI SRI PVD F EUR units	EUR	254,720	961,83
LAZARD CAPITAL FI SRI SD units	EUR	11 424,926	9 462,42
LAZARD CAPITAL FI SRI RVD EUR units	EUR	80 017,942	123,69
LAZARD CAPITAL FI SRI PVD EUR units	EUR	621,603	102 277,07
LAZARD CAPITAL FI SRI TVD EUR units	EUR	85 294,627	93,78
LAZARD CAPITAL FI SRI PVC F EUR units	EUR	17 256,240	960,94
LAZARD CAPITAL FI SRI PC EUR units	EUR	9 171,000	945,21
LAZARD CAPITAL FI SRI PVC EUR units	EUR	139 031,486	1 966,77
LAZARD CAPITAL FI SRI SC EUR units	EUR	56 617,126	11 835,37
LAZARD CAPITAL FI SRI RVC EUR units	EUR	220 258,988	109,04
LAZARD CAPITAL FI SRI RD H-USD units	USD	1,000	956,49
LAZARD CAPITAL FI SRI PD-H-USD units	USD	1,000	962,94
LAZARD CAPITAL FI SRI PC H USD units	USD	450,000	1 042,13
LAZARD CAPITAL FI SRI PVC H-USD units	USD	10 419,934	1 507,47
LAZARD CAPITAL FI SRI FI PVC H-CHF units	CHF	210,544	1 021,17

ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS

Breakdown of interest: LAZARD CAPITAL FI SRI PD-H-USD units

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Revenue subject to non-definitive withholding tax	38,03	EUR	38,03	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
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	38,03	EUR	38,03	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI PVD EUR units

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Revenue subject to non-definitive withholding tax	2 811 062,82	EUR	4 522,28	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax	105.67	EUR	0,17	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	2 811 168,49	EUR	4 522,45	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI PVD F EUR units

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Revenue subject to non-definitive withholding tax	7 825,00	EUR	30,72	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
Other income not eligible for a tax allowance and subject to non-definitive withholding tax	1 882,38	EUR	7,39	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	9 707,38	EUR	38,11	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI RD H-USD units

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Revenue subject to non-definitive withholding tax	31,95	EUR	31,95	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
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	31,95	EUR	31,95	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI RVD EUR units

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Revenue subject to non-definitive withholding tax	372 083,43	EUR	4,65	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
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	372 083,43	EUR	4,65	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI SD units

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Revenue subject to non-definitive withholding tax	5 305 964,14	EUR	464,42	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax	114,25	EUR	0,01	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax	277 397,20	EUR	24,28	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	5 583 475,59	EUR	488,71	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI TVD EUR units

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Revenue subject to non-definitive withholding tax	353 972,70	EUR	4,15	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
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	353 972,70	EUR	4,15	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 CAPITAL FI SRI

Legal entity identifier: 96950017UNE2JVZKYN74

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.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ ☒ No

☐ 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**

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 46,01% 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**



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

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

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

In addition, 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
- Promotion of 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.).

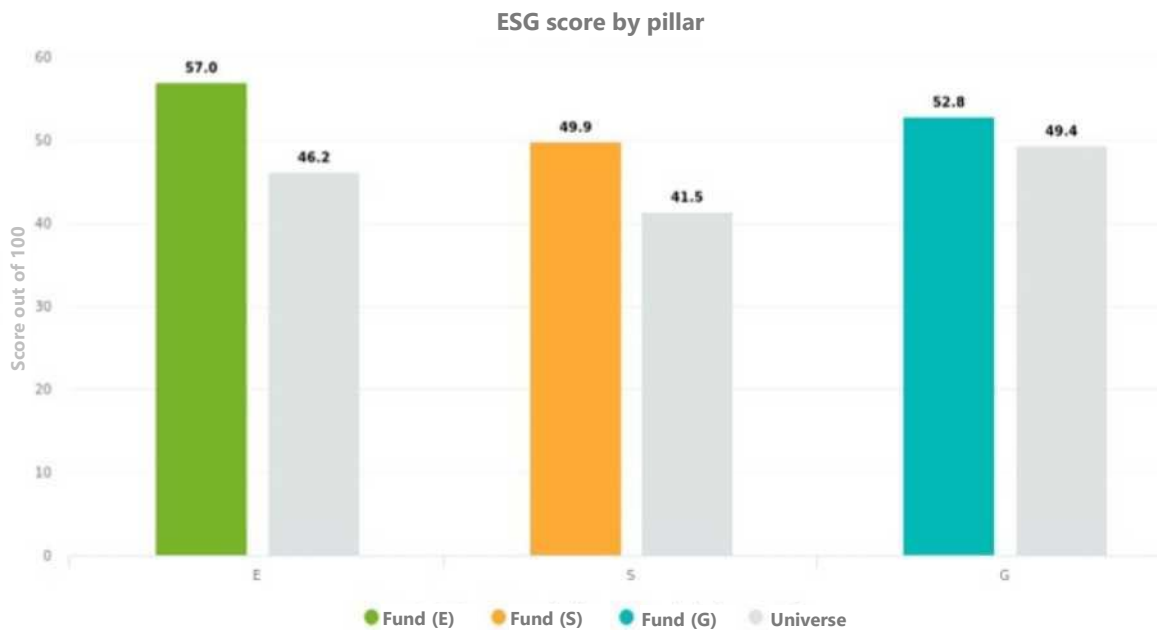
Each E, S and G pillar is rated from 1 to 5 based on a minimum of ten relevant key indicators per dimension.

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 (ratings between 0 and 100).

Evolution of the ESG score



The portfolio's ESG reference universe is:
The Eurozone universe provided by our ESG partners, equi-weighted, restricted to the following sectors: Diversified Banks, Insurance, Financial Services General, Retail and Specialized Banks



● ***...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:

- % 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.

	Rule	Average share of the portfolio
Carbon footprint in €m	Included in the lowest 20% of the sector	0,00%
GHG intensity	Included in the lowest 20% of the sector	5,18%
Implied temperature rise in 2100	<2°C	36,70%
Number of low-carbon patents	Included in the top 20% of the universe	0,00%
% of women in executive management	Included in the top 20% of the universe	0,00%
Number of hours of training for employees	Included in the top 20% of the universe	0,38%
Benefits coverage	See sustainable investment presentation www.lazardfreresgestion.fr	4,67%
Diversity policies by management	See presentation www.lazardfreresgestion.fr	17,45%

● ***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

the 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 were the indicators for adverse impacts on sustainability factors 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.

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.

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 Union 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: 01/01/2022 to 30/12/2022

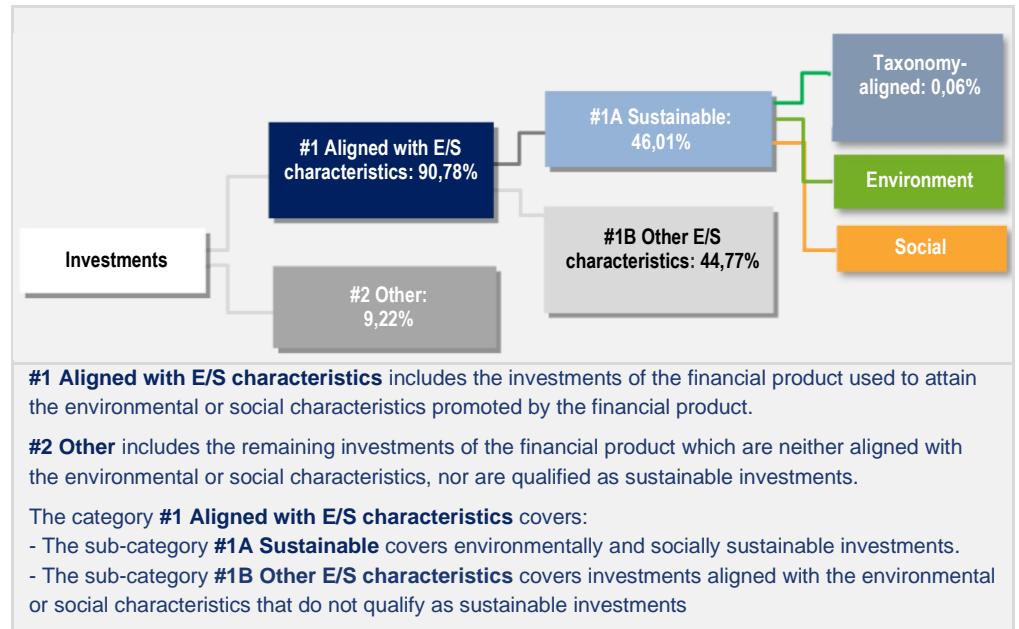
Largest investments	Sector	Percentage of assets	Country
1. BACR 5.875 CE'24 GBP	Financial and insurance activities	3,77%	United Kingdom

Largest investments	Sector	Percentage of assets	Country
2. RBIAV6.0 C'26 EUR	Financial and insurance activities	3,56%	Austria
3. BANCO DE BADELL EUSA5+6.051% PERP	Financial and insurance activities	2,88%	Spain
4. LAZARD EURO MONEY MARKET	UCIs	2,88%	France
5. UCAJLN 4.875 C'27 EUR	Financial and insurance activities	2,79%	Spain
6. BCPPL 9.25 C'24 EUR	Financial and insurance activities	2,77%	Portugal
7. LPTY 7.375 CE 24 EUR	Administrative and support services activities	2,66%	Netherlands
8. DB 7.125 C'26 GBP	Financial and insurance activities	2,45%	Germany
9. NOVO BAN 8.5% 06-07-28	Unknown sector	2,21%	Luxembourg
10. BANK OF CYPRUS 12.5% PERP EMTN	Financial and insurance activities	2,17%	Cyprus
11.CMZB 6.125 C'26 EUR	Unknown sector	2,14%	United States
12. CRED SUIS SA GROUP AG 7.25% PERP	Financial and insurance activities	2,07%	Switzerland
13.ISPIM 5.5 CE '28 EUR	Financial and insurance activities	2,01%	Italy
14. IBERCAJA 7.0% PERP	Financial and insurance activities	1,89%	Spain
15.ABDNLN 5.25 C'27 GBP	Financial and insurance activities	1,87%	United Kingdom



What was the proportion of sustainability-related investment?

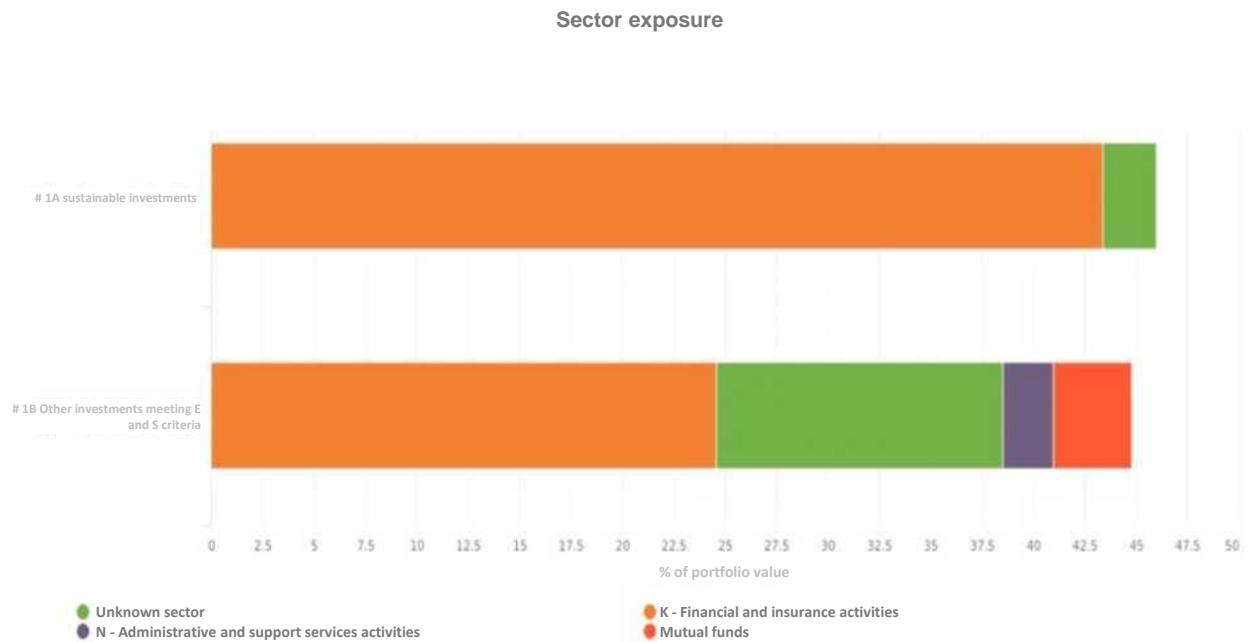
What was the asset allocation?



Details of sustainable investments	
Weight of sustainable investments in the portfolio	46,01%
Of which sustainable investments E	43,49%
Of which sustainable investments S	24,68%

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 0,41% over the period.

Taxonomy-aligned activities are expressed as a share of:

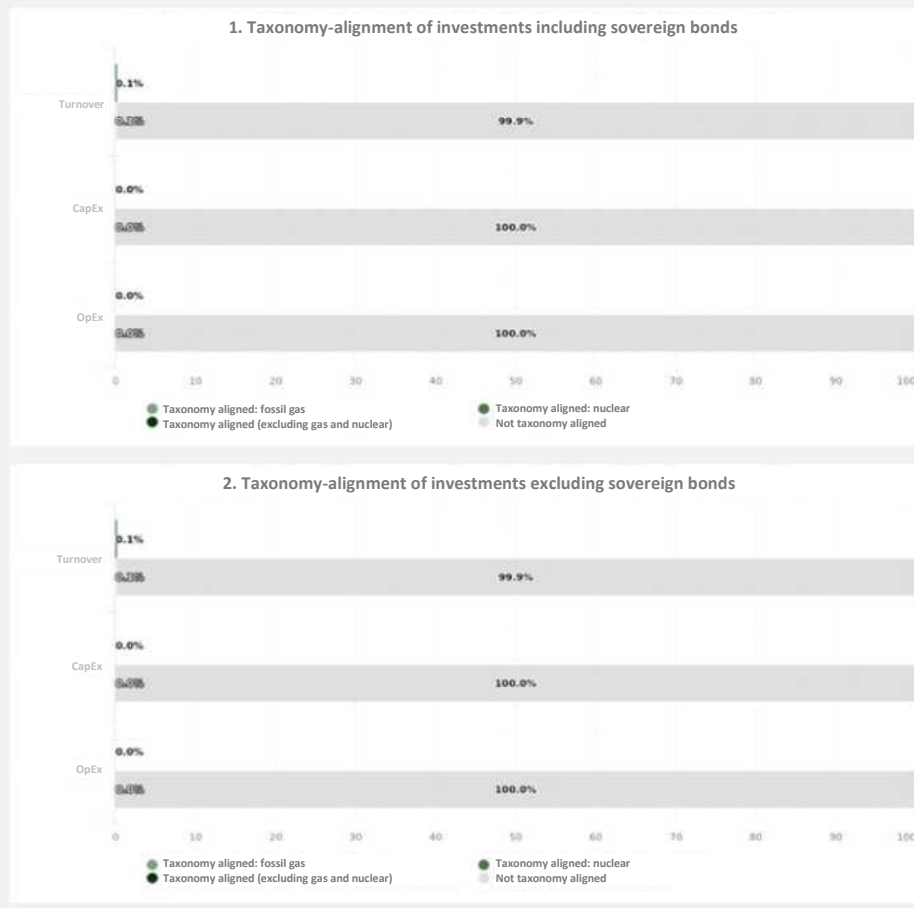
- **turnover** reflects the “greenness” of investee companies today;
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy;
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

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 43,49%

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 24,68%

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 9,22%.



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 90,78% on average.

- The portfolio's average ESG rating

The analysts-managers ensure that the portfolio's weighted average ESG rating is higher than the average of the reference universe by using Moody's ESG Solutions non-financial rating framework (ratings between 0 and 100), after eliminating the 20% of the lowest rated securities.

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 to the reference benchmark?***

Not applicable.

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

Not applicable.