

PROSPECTUS

French UCITS-compliant fund subject to European Directive 2009/65/EC

LAZARD EQUITY RECOVERY

FCP

This UCITS is managed by LAZARD FRERES GESTION SAS

I - GENERAL FEATURES

FUND'S FORM

Name	Lazard Equity Recovery
Legal form	Fonds Commun de Placement (FCP)
Inception date – term	This UCI was created on 20/08/2013 for a period of 99 years.

Fund overview

ISIN code	Allocation of distributable income		Base currency	Eligible investors	Minimum initial subscription	Initial NAV
	Allocation of net income	Allocation of net realised capital gains				
Unit R EUR FR0011537653	Accumulation and/or Distribution and/or Retention	Accumulation and/or Distribution and/or Retention	EUR	All subscribers	1 unit	100 EUR
Unit P EUR FR0011537646	Accumulation and/or Distribution and/or Retention	Accumulation and/or Distribution and/or Retention	EUR	Authorised investors (1)	1 unit	100 EUR
Unit PC EUR FR0011744689	Accumulation	Accumulation	EUR	Authorised investors (1)	1 unit	100 EUR

ISIN code	Allocation of distributable income		Base currency	Eligible investors	Minimum initial subscription	Initial NAV
	Allocation of net income	Allocation of net realised capital gains				
Unit T EUR FR0013305919	Accumulation and/or Distribution and/or Retention	Accumulation and/or Distribution and/or Retention	EUR	Authorised investors (1)	1 unit	100 EUR

(1) Authorised investors:

(i) Investors subscribing through distributors or financial intermediaries who are subject to MIFID II or an equivalent regulation outside of the European Union, as part of:

- their independent advisory activity;
- a non-independent advisory activity or third-party portfolio management for which they sign an agreement with their clients stipulating that they do not receive retrocession payments.

(ii) Professional clients as set out in European Directive 2014/65/EU or an equivalent regulation outside of the European Union.

The UCI's prospectus, latest annual and periodic reports, the composition of assets and LAZARD FRERES GESTION SAS's standards regarding the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to:

LAZARD FRERES GESTION SAS

25, rue de Courcelles 75008 Paris France

The prospectus is also available at www.lazardfreresgestion.fr.

Designated contact:

Customer service - Monday to Friday - 9 to 18

Tél. +33 (0)1 44 13 01 79

where further information may be obtained if necessary.

II - SERVICE PROVIDERS

Management company	<p>LAZARD FRERES GESTION SAS</p> <p>25, rue de Courcelles – 75008 Paris</p> <p>Management company incorporated under French law authorised by the French securities regulator (Autorité des Marchés Financiers – AMF) on 28th December 2004, no. GP 04 0000 68</p>
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Custodian	<p>LAZARD FRERES BANQUE 175 boulevard Haussmann - 75008 Paris Credit institution incorporated under French law authorised by the French Credit Institutions and Investment Firms Committee (Comité des Etablissements de Crédit et des Entreprises d'Investissement - CECEI) under no. 30748. The custodian's functions, as set out in the applicable regulations, include safeguarding of the assets, ensuring the legality of decisions taken by the management company and monitoring of cash flow related to the Funds.</p> <p><u>Sub-delegation:</u> A description of the functions of delegated custody agents, a list of the custody and sub-custody agents of Lazard Frères Banque, and information on conflicts of interest that may arise in relation to these agents are available on the Lazard Frères Banque website: http://lazardfreresbanque.fr Investors may obtain updated information on request. The custodian operates independently of the investment management company.</p>
Delegated registrar of shares	<p>CACEIS BANK 89-91 rue Gabriel Péri - 92120 Montrouge Public limited company with a board of directors Bank and investment services provider accredited by the CECEI on April 1st, 2005.</p>
Delegated agent for the centralisation of subscription and redemption orders	<p>CACEIS BANK 89-91 rue Gabriel Péri - 92120 Montrouge The management company has delegated management of the Fund's liabilities to CACEIS Bank, which is therefore responsible for centralising and processing subscription and redemption orders for the Fund's units Co-centralisation: LAZARD FRERES BANQUE 175 boulevard Haussmann - 75008 Paris On behalf of clients for whom it provides custody account-keeping services</p>
Accounting management by delegation	<p>CACEIS FUND ADMINISTRATION 89-91 rue Gabriel Péri - 92120 Montrouge</p>
Statutory auditor	<p>ERNST & YOUNG ET AUTRES 1-2 place des Saisons - Paris La Défense 1 - 92400 Courbevoie Signatory - M. David Koestner</p>
Promoter	<p>LAZARD FRERES GESTION SAS 25, rue de Courcelles - 75008 Paris</p>
Advisor (if applicable)	NA
Sub-investment manager (if applicable)	NA

III - OPERATION AND MANAGEMENT

GENERAL FEATURES

1. Features

Characteristics of units	
Unit R EUR	FR0011537653
Unit P EUR	FR0011537646
Unit PC EUR	FR0011744689
Unit T EUR	FR0013305919
Rights attached to the UCI's units	Each unitholder has an ownership right in the UCI's assets in proportion to the number of units owned.
Voting rights	No voting rights are attached to the UCI's units since decisions are taken by the management company.
Form of the units	Bearer or administered registered at the unitholder's discretion. The UCI is listed with Euroclear France.
Fractional or whole units	The UCI's units may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the units).
Financial year end	Last valuation date in September.
First financial year end	Last valuation date in September 2014.
Taxation	The tax treatment of the Fund's unrealised or realised capital gains or losses depends on the tax rules applicable to the particular circumstances of each investor and/or the Fund's investment jurisdiction. If you are unsure of the tax rules applying to your particular circumstances, you should consult a professional adviser.

OTHER SPECIFICATIONS

Fund of fund		None
Classification		Eurozone country equities
Investment objective	Unit R EUR, Unit P EUR, Unit PC EUR, Unit T EUR	The investment objective is to achieve over the recommended investment horizon of 5 years, a return (net of charges) above the following benchmark: Eurostoxx. The benchmark is expressed in EUR. Nets dividends or coupons are reinvested.
Benchmark indicator	Unit R EUR, Unit P EUR, Unit PC EUR, Unit T EUR	Eurostoxx The Eurostoxx index, expressed in euros, consists of the largest listed companies in the Eurozone, weighted by market capitalisation. Data is available on the website: www.stoxx.com Bloomberg code: SXXT Index

Benchmark ESG investment universe	The benchmark ESG investment universe corresponds to the benchmark index
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1. Strategies used

The Fund's strategy is to select companies whose performance potential we believe is particularly attractive following a significant fall in their valuations due to the economic environment, market trends, sector dynamics or problems specific to the company.

This strategy, therefore, is based on the following:

- Identifying companies with strong potential for growth thanks to an improvement in market conditions, the economic climate, the sector environment or the momentum specific to the company;
- Rigorously selecting companies that meet these criteria using a fundamental bottom-up approach;
- The performance of fundamental proprietary analysis: assessing the identified companies' economic performance: financial diagnosis, strategic basis, discounted cash flow model and meetings systematically held with selected companies' management;
- Building a diversified portfolio of Eurozone equities with no other geographical or sector constraints.

This strategy may lead to material differences between the Fund and the reference indicator concerning performance, sector composition and/or geographic composition.

The minimum level of exposure to Eurozone equity markets is 80% of the Fund's net assets. The Fund may invest up to a maximum of 10% of its net assets in European equities outside the Eurozone. The minimum market capitalisation of companies the Fund invests in is €100 million.

The Fund may invest up to a maximum of 10% of its net assets in any certificates or rights acquired following transactions involving the portfolio securities.

The Fund may invest up to a maximum of 10% of its net assets in negotiable debt securities and money market instruments.

The manager may invest up to a maximum of 10% of the Fund's net assets in shares or units of French or non-French UCITS or French alternative investment funds that meet the four criteria of Article R 214-13 of the French Monetary and Financial Code, as well as French or non-French negotiable debt securities issued by companies, financial institutions and governments.

Extra-financial criteria

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

The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio without being a determining factor in decision-making.

The rate of extra-financial analysis of the UCI's investments is, depending on the UCI's investment categories, higher than:

- 90% of the UCI's net assets for equities issued by large capitalisation companies with their headquarters in "developed" countries, debt securities and money market instruments with an investment grade credit rating,

sovereign debt issued by developed countries;

- 75% of the UCI's net assets for equities issued by large capitalisation companies with their headquarters in “emerging” countries, equities issued by small and mid caps, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by “emerging” countries.

These rates can be understood, for the UCI, either in terms of number of issuers or in terms of capitalisation of net assets. In the event of investment in several categories, the above rates shall apply transparently to each category.

Investments in directly-held equities and/or bonds

The ESG analysis of live securities is based on a proprietary model that relies on an internal ESG grid.

Based on the various data provided by our ESG partners (extra-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 score. This score is based on both a quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative approach (solidity of environmental policy, employment strategy, competence of directors, etc.). It takes into account the risks likely to affect companies' sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk thanks to, among other factors, the monitoring of controversies) as well as companies' main negative impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production), i.e. any event or situation in the environmental, social or governance field which, if it occurs, could have an actual or potential negative impact on the value of the investment.

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.

Specifically, the negative effects of sustainability risks can affect issuers via a range of mechanisms, including:

- 1) lower revenues;
- 2) higher costs;
- 3) damage to or impairment of the value of assets;
- 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.

The analyst-managers ensure that the average rating weighted by the E, S and G factors is maintained above that of the average of the benchmark universe by using the extra-financial rating framework of our ESG partners and/or that of our internal extra-financial analysis.

The methodology used to calculate the indicators can be found in the ESG methodology note available on the management company's website.

Investments in UCIs

The majority of UCIs selected in addition to live securities are subject to an ESG process that is at least equivalent to that described for live securities.

In addition, for UCIs managed by external management companies, Lazard Frères Gestion reviews their ESG integration processes and mainly selects funds with an ESG integration at least equivalent to that described for

live securities or promoting environmental or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088, known as the “Disclosure Regulation”.

Regulation (EU) 2020/852, known as the “Taxonomy Regulation”

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

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

Currently, Technical Screening Criteria have been developed for a number of economic activities that can contribute substantially to two of these objectives: climate change mitigation and climate change adaptation. These criteria are currently awaiting publication in the Official Journal of the European Union. The data presented below therefore only reflect alignment with these two objectives, based on the not-yet-finally published criteria as submitted to the European co-legislators. We will update this information in the event of changes to these criteria, the development of new review criteria relating to these two objectives, as well as when the criteria relating to the other four environmental objectives come into effect: sustainable use and protection of aquatic and marine resources; the transition to a circular economy; pollution prevention and reduction; the protection and restoration of biodiversity and 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 Harm” principle applies only to investments underlying the financial product that take into account the European Union’s criteria for environmentally sustainable economic activities.

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

The minimum percentage of alignment with the European Union Taxonomy is 0%. Consideration of the alignment of companies’ activities is carried out qualitatively in the internal analysis process based on the data published by the companies themselves as well as data made available by our ESG data providers.

2. Assets (excluding embedded derivatives)

The Fund is invested as follows:

- A minimum of 90% in equities traded on European Union markets, including at least 80% traded on Eurozone markets;
- A maximum of 10% in equities traded on markets outside the European Union;
- French or non-French negotiable debt securities;
- A maximum of 10% in French or non-French UCITS or French alternative investment funds that meet the four criteria of Article R 214-13 of the French Monetary and Financial Code.

Investment solely in UCI that invest no more than 10% of their assets in other UCI.

All of these UCIs may be managed by the management company.

3. Derivatives

None

4. Securities with embedded derivatives

The acquisition of these securities is not part of the Fund's management strategy. Nevertheless, the manager may invest up to a maximum of 10% of the assets in any securities with embedded derivatives permitted under the management company's business plan, notably warrants, certificates or rights acquired following transactions involving the portfolio securities.

5. Deposits

Up to 10% of the UCIs assets may be held in deposits.

6. Cash borrowings

The UCI may borrow cash within the 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

None

9. Risk profile

Disclaimer

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

• Risk of capital loss

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

- **Risk related to discretionary management**

Discretionary management is based on anticipation of market trends. The UCI's performance is dependent both on the selection of securities and UCI picked by the manager and the manager's asset allocation. There is therefore a risk that the manager will not select the best performing securities and that the asset allocation is not optimal.

- **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.

- **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).

- **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.

10. Guarantee or protection

None

11. Eligible subscribers and typical investor profile

R EUR unit: All subscribers.

P EUR, PC EUR and T EUR units – Authorised investors :

(i) Investors subscribing through distributors or financial intermediaries who are subject to MIFID II or an equivalent regulation outside of the European Union, as part of:

- an independent advisory activity,
- non-independent investment advice or portfolio management on behalf of third parties where they have concluded agreements with their clients stating that they may do not receive
- retrocessions.

(ii) Professional clients as set out in European Directive 2014/65/EU or an equivalent regulation outside of the European Union.

The Fund may be used with life insurance and savings policies.

The instruments and strategies used are that of an aggressive investment profile. This Fund is intended for investors seeking exposure to equity markets.

LAZARD EQUITY RECOVERY

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

This UCI may not be suitable for investors planning to withdraw their contributions within 5 years.

12. 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 UCIs portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

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

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

Unit	Allocation of distributable income
R EUR , P EUR , T EUR	The allocation of distributable income is decided each year by the Management Company. It may pay interim dividends.
PC EUR	All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law

13. Frequency of distribution

P EUR, T EUR and R EUR units: In the case of distribution of net income or realised net capital gains, the management company may decide during the course of the financial year to distribute one or more interim dividends up to the amount of distributable income recognised on the decision date.

PC EUR units: None: accumulation unit.

14. Characteristics of the shares (base currency, division of shares, etc.)

Unit	Base currency
R EUR, P EUR, PC EUR, T EUR	EUR
Unit	Division
R EUR, P EUR, PC EUR, T EUR	In thousandths

15. Terms and conditions of subscription and redemption

Subscription and redemption orders are accepted in amount and/or in units.

Date and frequency of NAV calculation

The net asset value is calculated every day except Saturdays and Sundays, public holidays in one of the following countries: France.

The net asset value is not calculated on the closing days of one of the following stock exchanges: Paris.

Where and how to find out the net asset value: the net asset value is published daily in the offices of LAZARD FRERES GESTION SAS and on the internet www.lazardfreresgestion.fr.

Address of the institutions designated to receive subscription and redemption orders

CACEIS BANK - 89-91 rue Gabriel Péri - 92120 Montrouge

Bank and investment services provider accredited by the CECEI on April 1st, 2005.

Investors are reminded that orders transmitted to distributors other than the institution referred to above must take into consideration the fact that the cut-off time for the processing of orders applies to the said distributors vis-à-vis the institution referred to above. Consequently, such distributors may apply their own cut-off time, which

may be earlier than the cut-off time indicated above, in order to take into account the time required to transmit orders to the institution referred to above.

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

On behalf of clients for whom it provides custody account-keeping services

Orders are executed as indicated in the table below

Business d	Day on which NAV is set (d)	Business d+1	Business d+2	Business d+2
Daily order reception and daily centralisation of redemption orders before 11:00 a.m. (Paris time)	Order executed by the latest on d	Publication of the net asset value	Settlement of subscription	Settlement of redemptions

Subscriptions preceded by a redemption received from the same shareholder on the same day for the same number of units at the same NAV may be executed.

16. Fees and expenses

Subscription and redemption fees are respectively added to the subscription price paid by the investor or deducted from the redemption price paid. The fees earned by the UCI are used to cover the charges that it incurs in investing or divesting the assets under management. The remaining fees are paid to the management company, the distributor, etc.

Charges payable by the investor during subscription and redemption	Basis	Unit	Rate (maximum incl. taxes)
Subscription fees not retained by the UCI	NAV x number of units	R EUR, P EUR, PC EUR, T EUR	4.0%
Subscription fees retained by the UCI	NAV x number of units	R EUR, P EUR, PC EUR, T EUR	0.0%
Redemption fees not retained by the UCI	NAV x number of units	R EUR, P EUR, PC EUR, T EUR	0.0%
Redemption fees retained by the UCI	NAV x number of units	R EUR, P EUR, PC EUR, T EUR	0.0%

Expenses charged to the UCI	Basis	Unit	Rate (maximum incl. taxes)
Financial management fees	Net assets	R EUR	2.180%
		P EUR	1.380%
		PC EUR	1.380%
		T EUR	1.380%
Administrative fees external to the management company	Net assets	Applied to all the units	0.020%

Indirect charges	N.A	Applied to all the 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 the units	Equities, debt securities, foreign exchange	From 0% to 0,20%
			Futures and other transactions	From €0 to €450 per contract
Performance fees	Net assets	R EUR, P EUR, PC EUR, T EUR	None	

Only the contributions payable for the management of the UCI pursuant to Article L. 621-5-3 II 4° d) of the French Monetary and Financial Code (Code monétaire et financier) and any exceptional legal costs related to debt recovery are outside the scope of the three blocks of charges referred to above.

Repurchase agreements are executed at market prices.

With the exception of brokerage fees and accounting management costs, all of the charges referred to above are levied as part of the joint venture arrangement between Lazard Frères Banque and Lazard Frères Gestion SAS which since 1995 has enabled them to pool their financial control, administration, securities custody and execution resources.

All revenue resulting from efficient portfolio management techniques, net of direct and indirect operating costs, is allocated to the UCI. All costs and expenses related to these management techniques are assumed by the UCI.

For further information, investors may refer to the management report.

17. Outline of the counterparty selection procedure

The selection of intermediaries used in equity fund management is a result of:

- requests from managers to add new brokers
- a financial analysis of the intermediary's accounts, carried out externally.

These intermediaries are used exclusively in terms of inflows relating to equities. Lazard Frères Gestion's Broker Committee ratifies all decisions to authorise new intermediaries. In the case of small caps, a broker may be approved on an ad hoc basis when able to provide stock liquidity.

At least twice yearly, the equity investment team holds a Broker Committee meeting to evaluate the services of its intermediaries.

Information about the use of investment decision-making support and order execution services (SADIE) can be found on the management company's website (www.lazardfreresgestion.fr).

IV - SALES AND MARKETING INFORMATION

Publication of information about the UCI	LAZARD FRERES GESTION SAS
	25, rue de Courcelles 75008 Paris France
	Customer service - Monday to Friday - 9 to 18 Tel +33 (0)1 44 13 01 79

Information regarding environmental, social and corporate governance (ESG) issues is available on the management company's website (www.lazardfreresgestion.fr) and will be included in the fund's annual report.

The management company may send, directly or indirectly, information on the composition of the UCI's assets to the UCI's shareholders for purposes related solely to shareholders' regulatory obligations. This information will be sent, where applicable, within a period not less than 48 hours after publication of the NAV.

Information in the event of a change in the operation of the UCI:

The shareholders shall be informed of any changes in the operation of the UCI in the press or by any other means in accordance with the prevailing regulations. This information may, where relevant, be provided through Euroclear France financial intermediaries affiliated with it.

Information about the use of investment decision-making support and order execution services (SADIE) can be found on the management company's website (www.lazardfreresgestion.fr).

V - INVESTMENT RULES

The UCI's investment rules are laid down in the French Monetary and Financial Code.

VI - AGGREGATE RISK

The aggregate risk is calculated using the commitment method.

VII - ASSET VALUATION AND ACCOUNTING RULES

1. ASSET VALUATION RULES

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

- **Shares and similar securities** are valued on the basis of the last known price on their main market.

If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

- **Fixed-income securities**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)[®] 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 date or whose prices have been adjusted are valued at their probable trading price under the responsibility of the Management Company.

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

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

- 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 14 June 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.

1.2. Financial instruments and securities not traded on a regulated market

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

1.3. Valuation methods for off-balance sheet commitments

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

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

number of contracts multiplied by the face value.

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

2. ACCOUNTING POLICIES

The UCI complies with the accounting rules prescribed by current regulations, in particular the accounting standards applicable to UCIs. The financial statements are presented in accordance with the regulatory provisions governing the preparation and publication of financial statements of undertakings for collective investment.

• Income from fixed-income securities

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

• 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):

Gross assets

x operating and management fees rate

x no. of days between the calculated NAV and the previous NAV

365 (or 366 in a leap year)

- These amounts are then recorded in the SICAV's income statement.

- The SICAV pays the operating fees, which include:

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

These fees do not include transaction charges.

• Transaction charges

Transactions are recorded excluding charges.

• Retrocessions received on management fees or entry charges

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

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

VIII - REMUNERATION

Lazard Frères Gestion has implemented a remuneration policy that complies with the requirements of the AIFM and UCITS V directives and the ESMA guidelines.

This remuneration policy is consistent and promotes sound and effective risk management and does not encourage risk-taking that would be incompatible with the risk profiles of the UCIs it manages. This policy is also in line with the interests of the UCIs and their investors.

The Management Company has put in place appropriate measures to prevent any conflict of interest.

The Management Company's employees receive remuneration comprising a fixed component and a variable component that is subject to an annual review based on individual and collective performance.

The principles of the remuneration policy are revised on a regular basis and adapted in line with regulatory developments. The remuneration policy may be consulted on the Lazard Frères Gestion website at www.lazardfreresgestion.fr.

FUND REGULATIONS
LAZARD EQUITY RECOVERY

Title I - Assets and Units

ARTICLE 1 - CO-OWNERSHIP UNITS

Co-ownership rights are expressed in units, where each unit corresponds to any single fraction of the Fund's assets. Each unitholder has an ownership right in the assets of the Fund in proportion to the number of units owned.

The Fund's term is 99 years from 20/08/2013, except in the event that the Fund is dissolved before the end of the term or extended pursuant to these regulations.

Unit classes:

The features of the different unit classes and their eligibility requirements are set out in the Fund's prospectus.

The different unit classes may:

- apply different dividend policies (distribution or accumulation);
- be denominated in different currencies;
- be subject to different management fees;
- be subject to different subscription and redemption fees;
- have a different par value;
- be systematically hedged, in full or in part, against risk as set out in the prospectus. This hedging is achieved through financial instruments that reduce to a minimum the impact of hedging transactions on the UCITS' other unit classes;
- be reserved to one or more distribution networks.

Possibility of combining or splitting units.

The units may be sub-divided, upon the decision of the management company, into hundredths or thousandths of units, referred to as fractional units.

The provisions hereof governing the issue and redemption of units shall apply to fractional units, the value of which shall always be proportional to the value of the unit they represent. Unless otherwise stipulated, all other provisions hereof relating to units shall automatically apply to fractional units. At the sole discretion of the management company, the units may be split by creating new units to be allocated to unitholders in exchange for existing units.

ARTICLE 2 - MINIMUM AMOUNT OF ASSETS

Units may not be redeemed if the assets are less than 300,000 (three hundred thousand) euros. When the assets

remain under this level for thirty days, the management company shall take all necessary measures to dissolve the Fund concerned or to undertake one of the operations mentioned in Article 411-16 of the General Regulation of the French financial markets regulator (Autorité des Marchés Financiers – AMF) (UCITS transfer).

ARTICLE 3 - ISSUE AND REDEMPTION OF UNITS

Units may be issued at any time upon request of unitholders on the basis of the net asset value plus subscription fees, if any.

Redemptions and subscriptions shall be made under the conditions and in accordance with the procedures set out in the prospectus. The UCI's shares may be listed for trading, in accordance with applicable regulations.

Subscriptions must be fully paid-up as of the date of the calculation of the net asset value. They may be undertaken in cash and/or by contribution of financial instruments. The management company is entitled to refuse the instruments proposed and, to that end, has seven days in which to give its decision. In the event that the instruments are accepted, they are valued according to the rules set out in Article 4, and subscription is undertaken using the first net asset value following acceptance of the instruments in question.

Redemptions may be made in cash and/or in kind. If the redemption in kind corresponds to a representative share of the assets in the portfolio, only the outgoing unitholder's written and signed agreement must be obtained by the UCI or management company. If the redemption in kind does not correspond to a representative share of the assets in the portfolio, all of the unitholders must provide their written signed agreement authorising the outgoing unitholder to obtain redemption of their units against certain specific assets, as explicitly defined in the agreement.

In general, the assets redeemed are valued according to the rules set out in Article 4, and the redemption in kind is undertaken using the first net asset value following acceptance of the instruments in question.

Redemptions are paid by the account keeper within at most five days of the unit's valuation day.

Under exceptional circumstances, however, where reimbursement requires the prior disposal of assets held in the UCI, this period may be extended up to a maximum of 30 days.

With the exception of inherited or gifted units, the sale or transfer of units between unitholders or between unitholders and third parties is deemed to be a redemption followed by a subscription. If the beneficiary of the sale or transfer is a third party, the beneficiary must add the amount necessary, if any, to increase the total to the minimum subscription amount indicated in the Prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code (Code monétaire et financier), redemption by the UCI of its units, and the issue of new units, may be temporarily suspended by the management company in exceptional circumstances and if required in the interests of unitholders.

No units may be redeemed if the net assets of the UCI are less than the regulatory amount.

The UCI may cease to issue units on a temporary or permanent basis, in part or in full, pursuant to the provisions set out in the third paragraph of Article L. 214-8-7 of the French Monetary and Financial Code, in objective situations that warrant the closure of subscription such as cases where the maximum number of issued units has been reached, the maximum amount of assets has been reached, or the subscription period has expired. If such partial or full closure is activated, the existing unitholders must be informed by all available means, including details of the threshold and objective situation that triggered the decision. In the case of partial closure, the existing unitholders must also be informed in detail of the methods by which they can continue to subscribe during this partial closure period. The unitholders must also be informed by all available means if the UCI or management company decide to discontinue the full or partial subscription closure period (when the activation

threshold is no longer exceeded) or continue the closure period (change in the threshold or the objective situation that warranted implementation of the measure). Any change in the specified objective situation or in the activation threshold must always be in the interest of the unitholders. Information by any means shall specify the exact reasons for such changes.

ARTICLE 4 - CALCULATION OF THE NET ASSET VALUE

The net asset value of units is calculated according to the valuation rules set out in the prospectus.

Contributions in kind may consist only of securities, stocks or contracts that are eligible to form the assets of UCIs; they are valued according to the valuation rules used to calculate the NAV.

Title II - Fund Operation

ARTICLE 5 - MANAGEMENT COMPANY

The management company is responsible for managing the Fund in accordance with the orientation stated for the Fund.

The management company shall take all necessary decisions to change the Fund's investment strategy or policy, in the interests of investors. Such changes may be subject to the approval of the AMF.

In all circumstances, the management company shall act in the sole interest of the unitholders and is solely authorised to exercise the voting rights attached to the securities held by the Fund.

ARTICLE 5A - OPERATING RULES

The instruments and deposits eligible for inclusion in the Fund as well as the investment rules are shown in the prospectus.

ARTICLE 5B - ADMISSION TO TRADING IN A REGULATED MARKET AND/OR A MULTILATERAL TRADING SYSTEM

The units may be admitted to trading on a regulated market and/or a multilateral trading facility, in accordance with applicable regulations. If the Fund whose units are admitted for trading on a regulated market has an investment objective based on an index, it must have set up a system to ensure that the price of its units does not deviate significantly from its net asset value.

ARTICLE 6 - CUSTODIAN

The custodian performs the tasks for which it is responsible under the legal and regulatory provisions in force as well as those entrusted to it contractually by the management company.

In particular, the custodian must ensure that the decisions of the management company are lawful. It shall take any protective measures it considers appropriate. In the event of a dispute with the management company, it shall inform the AMF.

ARTICLE 7 - STATUTORY AUDITOR

A statutory auditor is appointed by the management company's governance body for a term of six financial years, following AMF approval.

The statutory auditor shall certify that the financial statements give a true and fair view of the company.

The statutory auditor's term may be renewed.

The statutory auditor has a duty to report promptly to the AMF any fact or decision concerning the Fund of which he has become aware in the course of his duties and which is liable to:

- 1° Constitute a breach of the laws or regulations that apply to that fund and that is likely to have significant effects on its financial situation, profits or assets;
- 2° Affect the conditions or the continuity of its operations;
- 3° Lead to the expression of reservations or the refusal to certify the accounts.

The statutory auditor shall oversee the valuation of assets and the calculation of exchange ratios used in the event of a conversion, merger or split.

The statutory auditor shall assess any contribution in kind under his own responsibility.

He shall verify the accuracy of the composition of assets and other information prior to publication.

The statutory auditor's fees shall be set by mutual agreement between the statutory auditor and the management company's board of directors or executive board on the basis of a work schedule setting out the procedures deemed necessary.

The statutory auditor shall certify the positions used as the basis for the distribution of interim dividends. His fees are included in the management fees.

ARTICLE 8 - FINANCIAL STATEMENTS AND MANAGEMENT REPORT

At the close of each financial year, the management company shall prepare the financial statements and a report on the management of the Fund during the year just ended.

The management company shall draw up an inventory of the UCI's assets at least every six months and under the control of the Custodian.

The management company shall make these documents available to unitholders within four months of the end of the financial year and shall inform them of the amount of income to which they are entitled.

These documents shall be either sent by post, at the request of unitholders, or made available to them at the management company's premises.

Title III - Distribution of distributable income

ARTICLE 9 - DISTRIBUTION 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 Fund's portfolio, plus income generated by temporary cash holdings, minus management fees and borrowing costs.

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

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

Details of the relevant process are provided in the prospectus under the section entitled "Allocation of distributable income".

Title IV - Merger - Split - Winding-up - Liquidation

ARTICLE 10 - MERGER - SPLIT

The management company may either contribute the assets of the Fund, in whole or in part, to another UCITS managed by it, or split the Fund into two or more open-end funds.

These merger or split transactions may only be undertaken after the unitholders have been informed. They shall give rise to a new certificate specifying the number of units held by each unitholder.

ARTICLE 11 - WINDING-UP - EXTENSION

If the assets of the Fund remain less than the amount set forth in Article 2 above for 30 days, the management company shall inform the AMF thereof and either merge the Fund with another open-end investment fund (FCP) or dissolve the Fund.

The management company may dissolve the Fund prior to its termination date; in this case, it shall inform unitholders of its decision and from then on subscriptions and redemptions shall no longer be accepted.

The management company shall also dissolve the Fund if it receives redemption applications for all units, if the custodian ceases to discharge its responsibilities and no other custodian is designated or if at the end of the Fund's duration, its termination date has not been extended.

The management company shall inform the AMF by letter of the chosen date and dissolution procedure. It shall then send the statutory auditors' report to the AMF. A Fund's extension may be decided by the management company with the custodian's agreement. Its decision must be taken at least three months before the Fund's planned duration and communicated to the unitholders and the AMF.

ARTICLE 12 - LIQUIDATION

In the event that the Fund is dissolved, the management company shall be responsible for liquidation transactions; otherwise, the liquidator shall be appointed by the court at the request of any interested party.

In this regard, they shall be granted the widest possible powers to sell assets, pay creditors, if any, and divide the remaining balance among unitholders in cash or in securities. The statutory auditor and custodian shall continue to perform their duties until the end of the liquidation transactions.

ARTICLE 13 - JURISDICTION - ADDRESS FOR SERVICE

All disputes relative to the Fund that may arise during its lifetime or at the time of liquidation, be they disputes between unitholders, or between unitholders and the management company or the custodian shall be submitted to the courts of competent jurisdiction.

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