

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

## **LAZARD FUNDS**

**SICAV with sub-funds**

### **ANNUAL REPORT**

at September 30th, 2022

**Management company: Lazard Frères Gestion SAS  
Custodian: Caceis Bank  
Statutory auditor: Deloitte & Associés**

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## 1. CERTIFICATION BY THE STATUTORY AUDITOR



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## LAZARD FUNDS

French open-end investment company with sub-funds (Société d'Investissement à Capital Variable à Compartiments)

10, avenue Percier  
75008 Paris, France

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

Financial year ended September 30th, 2022

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To the Shareholders' Meeting,

#### Opinion

In accordance with the terms of our appointment by your board of directors, we conducted our audit of the accompanying annual financial statements of the Undertaking for Collective Investment LAZARD FUNDS, incorporated as a French open-end investment company (SICAV), for the financial year ended September 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.

#### Opinion on the annual financial statements

##### Audit standards

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

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

French simplified joint stock company (Société par Actions Simplifiée) with capital of €2 188 160  
Accounting firm registered with the Order of Chartered Accountants of the Paris Ile-de-France region  
Member firm of the regional institute of statutory auditors of Versailles (*Compagnie régionale de Versailles*)  
Nanterre Trade and Companies Register 572 028 041  
VAT: FR 02 572 028 041

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## **Independence**

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from October 1st, 2021 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 presentation of all 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 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.

## **Information provided in the management report, other financial reports and the annual financial statements addressed to the shareholders**

We have no matters to report regarding the true and fair presentation of the information provided in the Board of Directors' management report and in the documents sent to shareholders on the company's financial position and the annual financial statements, or its consistency with the annual financial statements.

## **Information on corporate governance**

We certify that the information required under Article L. 225-37-4 of the French Commercial Code is provided in the section of the board of directors' management report on corporate governance.

## **Responsibilities of the management and persons charged with governance of the annual financial statements**

It is the management'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 is responsible for assessing the SICAV'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 SICAV or terminate its activity.



The Board of Directors is responsible for the preparation of 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 SICAV.

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.

Paris La Défense, December 2nd, 2022

The statutory auditor

Deloitte Associés

[signature]

Olivier GALIENNE



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## LAZARD FUNDS

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10, avenue Percier  
75008 Paris, France

### Statutory Auditor's special report on regulated agreements

Shareholders' meeting to approve the financial statements for the financial year ended September 30th, 2022

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To the Shareholders' Meeting,

In our capacity as statutory auditors of your company, we hereby present to you our report on related party agreements.

We are required to report to you, based on the information we have been provided, on the main characteristics and terms of any agreements disclosed to us or that we may have discovered during our audit, without being required to comment on their relevance or substance, or to identify any other agreements.

It is your responsibility, pursuant to the terms of Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the benefits of entering into these agreements, prior to approving them.

We are also required, where applicable, to report to you as provided for in Article R. 225-31 of the French Commercial Code on the performance over the past year of any agreements already approved by the shareholders' meeting.

We have performed those checks that we considered necessary in accordance with the professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this operation.



### **AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING**

#### **Agreements entered into during the past financial year**

We hereby inform you that we have not been advised of any agreement authorised during the past financial year to be submitted to the approval of the shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.

### **AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING**

We hereby inform you that we have not been advised of any agreement already approved by the shareholders' meeting that remained effective during the past financial year.

Paris La Défense, December 2nd, 2022

The statutory auditor

Deloitte Associés

[signature]

Olivier GALIENNE

## 2. CONSOLIDATED FINANCIAL STATEMENTS

**BALANCE SHEET AS AT 30/09/2022 in euros**

**ASSETS**

	30/09/2022	30/09/2021
<b>NET NON-CURRENT ASSETS</b>		
<b>DEPOSITS</b>		
<b>FINANCIAL INSTRUMENTS</b>	<b>717 440 451,12</b>	<b>258 674 044,53</b>
<b>MASTER FUND</b>		
<b>Equities and similar securities</b>		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
<b>Bonds and similar securities</b>	<b>661 640 776,74</b>	<b>248 665 104,87</b>
Traded on a regulated or equivalent market	661 640 776,74	248 665 104,87
Not traded on a regulated or equivalent market		
<b>Debt securities</b>		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
<b>Undertakings for collective investment</b>	<b>31 213 695,16</b>	<b>7 854 096,00</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	31 213 695,16	7 854 096,00
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		
<b>Temporary securities transactions</b>		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
<b>Forward financial instruments</b>	<b>24 585 979,22</b>	<b>2 154 843,66</b>
Transactions on a regulated or equivalent market	8 712 733,80	2 154 843,66
Other transactions	15 873 245,42	
<b>Other financial instruments</b>	<b>42 529 909,49</b>	<b>4 614 043,44</b>
<b>RECEIVABLES</b>		
Currency forward exchange transactions	239 241,95	345 866,12
Other	42 290 667,54	4 268 177,32
<b>FINANCIAL ACCOUNTS</b>	<b>33 995 290,55</b>	<b>10 743 485,94</b>
Cash and cash equivalents	33 995 290,55	10 743 485,94
<b>TOTAL ASSETS</b>	<b>793 965 651,16</b>	<b>274 031 573,91</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	30/09/2022	30/09/2021
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	649 526 277,11	262 247 523,45
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)	198,05	128,73
Net capital gains and losses for the year (a, b)	84 674 639,19	2 079 642,93
Net income for the year (a,b)	17 938 550,17	6 496 755,14
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>752 139 664,52</b>	<b>270 824 050,25</b>
<i>* Sum representing the net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>	<b>8 740 034,83</b>	<b>2 154 843,41</b>
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments	8 740 034,83	2 154 843,41
Transactions on a regulated or equivalent market	8 740 034,83	2 154 843,41
Other transactions		
<b>LIABILITIES</b>	<b>24 486 221,55</b>	<b>1 052 679,68</b>
Currency forward exchange transactions	238 969,36	343 816,85
Other	24 247 252,19	708 862,83
<b>FINANCIAL ACCOUNTS</b>	<b>8 599 730,26</b>	<b>0,57</b>
Bank overdrafts	8 599 730,26	0,57
Borrowings		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>793 965 651,16</b>	<b>274 031 573,91</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year

**OFF-BALANCE SHEET ITEMS AS AT 30/09/2022 in euros**

	30/09/2022	30/09/2021
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
EURO SCHATZ 1221		5 610 250,00
EURO SCHATZ 1222	1 750 004 450,00	
EURO BOBL 1221		8 095 800,00
EURO BOBL 1222	119 750 000,00	
US 10YR NOTE 1221		12 491 506,32
EC EURUSD 1222	18 849 525,34	
RP EURGBP 1222	2 510 112,81	
Commitments on OTC markets		
Credit Default Swaps		
ITRAXX EUR XOVER S38	195 000 000,00	
ITRAXX EUR XOVER S38	9 000 000,00	
ITRAXX EUR XOVER S38	100 000 000,00	
ITRAXX EUR XOVER S38	4 000 000,00	
Other commitments		
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
FGBL BUND 10A 1221		42 455 000,00
TU CBOT UST 2 1221		132 911 930,28
XEUR FGBX BUX 1221		24 400 800,00
CBOT USUL 30A 1221		24 728 741,53
Commitments on OTC markets		
Other commitments		

**INCOME STATEMENT AT 30/09/2022 in euros**

	30/09/2022	30/09/2021
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	28 500,59	342,83
Income from equities and similar securities	1 880,00	1 606,50
Income from bonds and similar securities	18 090 313,98	7 262 322,80
Income from debt securities	6 375,00	
Income from temporary purchases and sales of securities	2 977,31	5 133,39
Income from forward financial instruments		
Other financial income		
<b>TOTAL (1)</b>	<b>18 130 046,88</b>	<b>7 269 405,52</b>
<b>Expenses related to financial transactions</b>		
Expenses related to temporary purchases and sales of securities	17 538,51	12 563,66
Expenses related to forward financial instruments		
Expenses related to financial liabilities	79 012,96	19 546,39
Other financial charges		
<b>TOTAL (2)</b>	<b>96 551,47</b>	<b>32 110,05</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>18 033 495,41</b>	<b>7 237 295,47</b>
Other income (3)		
Management fees and depreciation and amortisation (4)	5 665 357,73	2 157 046,10
<b>Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>12 368 137,68</b>	<b>5 080 249,37</b>
Income adjustment for the financial year (5)	5 570 412,49	1 416 505,77
Interim dividends paid on net income for the financial year (6)		
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>17 938 550,17</b>	<b>6 496 755,14</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

The general accounting principles apply:

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

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

Purchases and sales of securities are recorded excluding expenses.  
The accounting currency of the portfolio is the euro.

The LAZARD FUNDS SICAV is made up of two sub-funds:

- LAZARD CREDIT OPPORTUNITIES,
- LAZARD EURO SHORT DURATION HIGH YIELD SRI.

The aggregation of the annual financial statements is presented in euros.

In the absence of inter-sub-fund holdings, no restatement has been made for assets and liabilities.

- Accounting rules and principles (\*)
- Additional information (\*)

(\*) Please refer to the information on each sub-fund.

**Sub-fund:  
LAZARD CREDIT OPPORTUNITIES**

### 3. CHARACTERISTICS OF THE UCI

#### LEGAL FORM

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

#### 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 Sub-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.

RC EUR, PC EUR, PVC EUR, TC EUR, PVC H-CHF, FC EUR, PC USD, PC H-USD, RC H-USD shares:

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

PD EUR, RD H-USD shares:

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

#### Fund of funds

None.

#### INVESTMENT OBJECTIVE

##### RC EUR shares:

The investment objective is to outperform, over the recommended investment period of three years and net of charges, the following benchmark index: Capitalised €STR + 1,25% The benchmark index is expressed in EUR.

##### PC EUR, PD EUR, TC EUR, FC EUR shares

The investment objective is to outperform, over the recommended investment period of three years and net of charges, the following benchmark index: Capitalised €STR + 2,00% The benchmark index is expressed in EUR.

##### PVC EUR shares:

The investment objective is to outperform, over the recommended investment period of three years and net of charges, the following benchmark index: Capitalised €STR + 2,40% The benchmark index is expressed in EUR.

##### PVC HCHF shares:

The investment objective is to outperform, over the recommended investment period of three years and net of charges, the following benchmark index: SARON +2,40%. The benchmark index is expressed in CHF.

##### PC USD, PC HUSD shares

The investment objective is to outperform, over the recommended investment period of three years and net of charges, the following benchmark index: Daily Effective Compounded Federal Funds Rate +2%. The benchmark index is expressed in USD.

#### RC HUSD, RD HUSD shares

The investment objective is to outperform, over the recommended investment period of three years and net of charges, the following benchmark index: Daily Effective Compounded Federal Funds Rate +1,25%. The benchmark index is expressed in USD.

#### **BENCHMARK**

##### RC EUR shares:

Capitalised €STR + 1,25%

The Capitalised €STR is the main benchmark index of the Eurozone money market. This rate is calculated based on the volume-weighted average of the overnight interbank rates at which the 57 reference banks carry out their transactions. It is established by the European Central Bank on the basis of the “exact number of days/360” and is published by the European Banking Federation. Additional information is available on the website [www.banque-france.fr](http://www.banque-france.fr)

##### PVC EUR shares:

Capitalised €STR + 2,40%

The Capitalised €STR is the main benchmark index of the Eurozone money market. This rate is calculated based on the volume-weighted average of the overnight interbank rates at which the 57 reference banks carry out their transactions. It is established by the European Central Bank on the basis of the “exact number of days/360” and is published by the European Banking Federation. Additional information is available on the website [www.banque-france.fr](http://www.banque-france.fr)

##### PVC HCHF shares:

SARON +2,40%

SARON represents the guaranteed overnight money market interest rate for the Swiss franc (CHF). It is based on transactions and listed prices in the Swiss repo market. SARON is part of an index dataset including all Swiss benchmark rates calculated by SIX. This dataset can be obtained on the SIX website (<https://www.six-group.com>) and through data providers (e.g. SIX, Bloomberg, Refinitiv).

##### PC USD, PC HUSD shares

Daily Effective Compounded Federal Funds Rate +2%

This money market rate is a weighted average capitalised rate calculated by the Federal Reserve Bank of New York.

Data are available at: <https://fred.stlouisfed.org>

Bloomberg code: FDTR Index.

##### RC HUSD, RD HUSD shares

Daily Effective Compounded Federal Funds Rate +1,25%

This money market rate is a weighted average capitalised rate calculated by the Federal Reserve Bank of New York.

Data are available at: <https://fred.stlouisfed.org>

Bloomberg code: FDTR Index.

##### PC EUR, PD EUR, TC EUR, FC EUR shares

Capitalised €STR + 2,00%

The Capitalised €STR is the main benchmark index of the Eurozone money market. This rate is calculated based on the volume-weighted average of the overnight interbank rates at which the 57 reference banks carry out their transactions. It is established by the European Central Bank on the basis of the “exact number of days/360” and is published by the European Banking Federation. Additional information is available on the website [www.banque-france.fr](http://www.banque-france.fr)

#### **BENCHMARK ESG INVESTMENT UNIVERSE**

50% Eurozone universe provided by our ESG partners, equi-weighted, restricted to the following sectors: Diversified Banks, Insurance, Financial Services General, Retail and Specialized Banks; 50% ICE BofA Euro Non-financial Fixed & Floating Rate High Yield Constrained Index

Bloomberg code: HEAE Index.

As it is a central bank, the €STR administrator is exempt from Article 2.2 of the Benchmark Regulation, and therefore is not listed on the ESMA register.

## INVESTMENT STRATEGY

### I. Strategies used by the Lazard Credit Opportunities sub-fund

The Sub-fund aims to outperform the capitalised €STR +1,25% for the RC EUR Share, the capitalised €STR +2% for the PC EUR, PD EUR and TC EUR Shares, the capitalised €STR +2,40% for the PVC EUR Shares, the SARON +2,40% for the PVC H-CHF Shares, the Daily Effective Compounded Federal Funds Rate +2% for the PC USD, PC H-USD Shares and the Daily Effective Compounded Federal Funds Rate +1,25% for the RC H-USD and RD H-USD shares, by dynamically managing interest rate risk, credit risk and exchange rate risk, net of expenses, through dynamic management of interest rate risk, credit risk and currency risk and by investing primarily in risky debt issued by governments, companies, financial institutions and financial structures that offer a yield premium in relation to sovereign debt.

Outperformance in relation to the index through credit is achieved in two ways: additional yield offered by risky debt, in particular corporate and government debt potentially linked to emerging markets, and dynamic portfolio rotation when there is a decline in this yield premium. The fund manager may invest in any type of issuer, without restrictions in terms of credit quality or geographical location. The fund manager conducts their own credit assessment for selection purposes, both at the time of purchase and during the life of the securities. They do not rely solely on ratings issued by rating agencies and develop credit risk analysis and the necessary procedures to make purchase decisions or sell or hold decisions in the event of a downgrade. The fund manager does not automatically use agency ratings but gives precedence to his own analysis to assess the credit quality of said assets and decide on possible downgrades.

Information on the Sub-fund's sensitivity range is shown in the table below:

Interest rate risk (including derivatives)		Investment		Exposure	
		Min.	Max.	Min.	Max.
Interest rate risk sensitivity range		-5	+10	-5	+10
Credit risk		Investment		Exposure	
		Min.	Max.	Min.	Max.
Issuer's Zone	Europe Zone	20%	100%	20%	100%
	Other regions	0%	80%	0%	80%

The Sub-fund may invest in bonds denominated in currencies other than the euro.

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 Sub-fund will also engage in dynamic management of currency risk to optimise its medium-term performance.

The Sub-fund may use interest rate and currency futures, interest rate and currency options, interest rate and currency swaps, and currency forward transactions traded on regulated, organised and/or OTC markets for hedging and/or exposure purposes, thereby taking the Sub-fund's exposure beyond 100% of the net assets. The portfolio is exposed to interest rate, foreign exchange, credit and volatility risk, up to a fixed amount calculated based on the absolute VaR. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

### Non-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.

#### Analysis of investments in directly held 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 (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 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.

Lazard Frères Gestion will announce by December 30th, 2022 how this product considers negative impacts on sustainability factors.

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.

These internal ESG ratings are integrated into the issuer selection process and in determining their weight in the portfolio.

#### Conditions for providing limited information on the inclusion of non-financial criteria:

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

- 90% of the UCIs net assets for bonds issued by large capitalisation companies with their registered office in "developed" countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;
- 75% of the UCIs net assets for equities issued by large capitalisation companies with their registered office 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.

In the event of investment in several categories, the above rates shall apply transparently to each category.

The portfolio's overall Moody's ESG Solutions rating will be higher than that of the benchmark ESG investment universe defined above.

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

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

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

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

The “Do No Significant Harm” principle applies only to 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%.

## **2. Assets excluding derivatives held in the Lazard Human Capital sub-fund**

The Sub-fund's portfolio comprises:

### **Equities**

- A maximum of 5% of the net assets in preference shares insofar as they may be considered deeply subordinated instruments with the following characteristics: rated investment grade by a ratings agency or an equivalent rating by the management company; a fixed dividend comparable to accrued interest; perpetual debt likely to be called in by the issuer under specified conditions; sensitive to interest rates.

- A maximum of 5% of the net assets in ordinary shares. The Sub-fund will not invest actively in equities but may hold equities if they derive from a debt restructuring, typically following an exchange of shares for debt. The fund manager will do their best to sell the shares received as soon as possible depending on market conditions with a view to optimising the exit price for the shareholders.

### **Debt securities and money market instruments:**

- A maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros or any other currency, issued by companies and financial institutions, without any credit restrictions.

- A maximum of 60% of the net assets in bonds and negotiable debt securities denominated in currencies other than the euro and the US dollar.

- A maximum of 100% of the net assets in debt denominated in euros and/or any other currency issued by governments in any geographical location, by any institution and of any rating.

- A maximum of 10% of the net assets in convertible bonds.

- A maximum of 50% of the net assets in perpetual subordinated bonds, of which a maximum of 30% of the net assets in contingent convertible bonds (CoCos).

- Specific euro-denominated instruments:

• Securities issued as part of an EMTN programme whose issuer is not the same as the issuer of the underlying security, insofar as the performance of these securities is index-linked to changes in interest rate or credit spread risk. Up to a maximum of 20% of the net assets.

### **UCIs**

French or foreign UCITS or AIFs that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (*Code Monétaire et Financier*), money market, short-term money market and bond funds up to a maximum of 10% of the net assets.

These UCIs may be managed by the management company.

## **3. Derivatives held in the Lazard Credit Opportunities sub-fund**

• Types of markets:

regulated

organised

OTC

- The manager intends to seek exposure to:
  - equities
  - interest rates
  - foreign exchange
  - credit
  - other risks: volatility
  
- Transaction types - all transactions must be limited to achieving the investment objective:
  - hedging
  - exposure
  - arbitrage
  - other
  
- Types of instruments used:
  - futures:**
    - equity and equity indices
    - interest rate: interest rate risk
    - currency
    - other
  - options:**
    - equity and equity index
    - interest rates: interest rate and interest rate volatility risk
    - currency
    - other
  - swaps:**
    - equity swaps
    - interest rate swaps: transformation of fixed-rate income to variable-rate income and vice versa
    - currency swaps
    - performance swaps
  - currency forwards
  - 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 held in the Lazard Credit Opportunities sub-fund**

The fund manager may invest in any securities with embedded derivatives permitted under the management company's business plan, whose issuer is not the same as the issuer of the underlying security, insofar as the performance of these securities is index-linked to changes in interest rate or credit spread risk.

Within this framework, the manager may take positions with a view to hedging the portfolio against and/or exposing it to particular business sectors, geographic regions, shares (all capitalisation types), stocks and similar securities in order to achieve the investment objective.

Total investments in securities with embedded derivatives may not exceed 100% of the net assets. Investments in contingent convertible bonds may not exceed 30% of the net assets.

#### **5. Deposits of the Lazard Credit Opportunities sub-fund**

Up to 10% of the Sub-fund's assets may be held in deposits.

#### **6. Cash borrowings of the Lazard Credit Opportunities sub-fund**

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

## **7. Temporary purchases and sales of securities of the Lazard Credit Opportunities sub-fund**

None.

## **8. Information on the financial guarantees of the Lazard Credit Opportunities sub-fund**

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

## **RISK PROFILE OF THE LAZARD CREDIT OPPORTUNITIES SUB-FUND**

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 Sub-fund provides no capital guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption.

### **■ 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 Sub-fund's exposure to issuers either through direct investment or via other UCIs may give rise to a decline in the net asset value. If the Sub-fund is exposed to unrated or speculative/High Yield debt, the credit risk is high and may lead to a decline in the Sub-fund's net asset value.

### **■ Foreign exchange risk**

The Sub-fund 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 Sub-fund'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).

### **■ Derivative financial instrument risk**

The risk arising from the Sub-fund'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 sub-fund has invested.

### **■ Counterparty risk:**

This is a risk linked to the use of forward financial instruments traded over the counter. These transactions, entered into with one or more counterparties, potentially expose the Sub-fund to a risk of failure of any such counterparty, which may lead to default in payment and cause the Sub-fund's NAV to fall.

### **■ 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 Sub-fund liquidates, initiates or modifies positions and thus cause a decline in the Sub-fund's net asset value.

■ **Risks linked to hybrid or subordinated securities:**

The sub-fund may be exposed to hybrid or subordinated securities. Hybrid and subordinated debt are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. For non-financial bonds, since hybrid debt securities are “deeply subordinated”, there is a low recovery rate in the event of issuer default.

■ **Risk related to overexposure**

The Sub-fund may use forward financial instruments (derivatives) to generate overexposure and thus bring the Sub-fund’s exposure above its net asset value.

Depending on the direction of the transactions, the impact of a decrease (purchase of exposure) or increase (sale of exposure) in the derivative’s underlying instrument may be amplified and thus amplify any decrease in the Sub-fund’s net asset value.

Because of the hedging strategy applied, shareholders may not benefit from potential upside on certain markets.

■ **Equity risk**

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

■ **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 OF THE LAZARD CREDIT OPPORTUNITIES SUB-FUND**

None.

**ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE OF THE LAZARD CREDIT OPPORTUNITIES SUB-FUND**

This Sub-fund is aimed at all investors who are aware of the risks associated with investing in the international credit markets.

The Sub-fund may be used with life insurance and savings policies.

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

**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 Sub-fund is not registered as an investment vehicle in the United States and its shares 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 Sub-fund 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 Sub-fund 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 sub-fund 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 Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

## 4. CHANGES AFFECTING THE UCI

The Board of Directors of the SICAV **LAZARD FUNDS (SICAV with sub-funds)** (ISIN code: FR00140081X3), which met on November 18th, 2021, made the following decisions:

- Amend the wording on the performance fee, pursuant to an AMF position recommendation
- Clarify the wording of the investment strategy of the two sub-funds of the *SICAV with sub-funds* in order to indicate that, by derogation from the 5%-10%-40% ratios, the management team may invest more than 35% of the Sub-fund's net assets in securities guaranteed by a Member State of the EEA or the United States.

➤ **Effective date: 21/01/2022.**

The following decisions were made in relation to the SICAV **LAZARD FUNDS (SICAV with sub-funds)** (ISIN code: FR00140081X3):

- Creation of "FC EUR" shares (ISIN code: FR00140081X3) for the LAZARD CREDIT OPPORTUNITIES Sub-fund;
- Modification of methods for calculating the performance fee of the two Sub-funds.

➤ **Effective date: 21/02/2022.**

The following decisions were made in relation to the SICAV **LAZARD FUNDS (SICAV with sub-funds)** (ISIN code: FR00140081X3):

- Insertion of information on Russian and Belarusian investors;
- Regulations / Articles of Association: Deletion of the optional mention of a cap on redemptions ("Gates");
- Subscription and redemption orders are accepted in units and/or in amounts (as the case may be).

➤ **Effective date: 16/06/2022.**

The Board of Directors of the SICAV **LAZARD FUNDS** (ISIN code FR00140081X3 **in the LAZARD CREDIT OPPORTUNITIES sub-fund**) on November 18th, 2021 decided to create four shares (**PC USD**: ISIN code: FR001400BBG2) / **PC H-USD** (ISIN code: FR001400BB18) / **RC H-USD** (ISIN code: FR001400BBJ6) / **RD H-USD** (ISIN code: FR001400BBK4)

➤ **Effective date: 07/07/2022.**

The following decisions were made in relation to the SICAV **LAZARD FUNDS (SICAV with sub-funds)** (ISIN code: FR00140081X3):

- Insertion of "benchmark information" in the KIID;
- Addition of ESG investment risk and methodological limitations
- Editorial change to the SRI management policy.

➤ **Effective date: 16/08/2022.**

The following decisions were made in relation to the SICAV **LAZARD FUNDS** (ISIN code: FR00140081X3) the creation of a third sub-fund, LAZARD HUMAN CAPITAL (ISIN code: FR0014009F63)

➤ **Effective date: 31/08/2022.**

## Corporate governance (CSR) section

### I. List of appointments

Directors' names	Number of offices held	List of offices and functions
Eleonore Bunel <i>Managing Director of Lazard Frères Gestion SAS</i>	1	- Chairman and Chief Executive Officer of the SICAV Lazard Funds <i>(SICAV with sub-funds)</i>
François-Marc Durand <i>Chairman of Lazard Frères Gestion SAS</i>	4	- Chairman and Chief Executive Officer of the Norden SRI SICAV - Board member of the SICAVs: . Lazard Small Caps Euro SRI . Lazard Funds <i>(SICAV with sub-funds)</i> . Lazard Alpha Allocation
Jean-Jacques de Gournay <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Chairman and Chief Executive Officer of the Norden Family SICAV - Board member of the SICAVs: . Lazard Funds (SICAV with sub-funds ) . Lazard Small Caps Euro SRI . Lazard Equity SRI . Lazard Convertible Global
Monica Nescaut <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Member of the Boards of Directors of the SICAVs: . Lazard Small Caps Euro SRI . Lazard Funds (SICAV with sub-funds ) . Norden SRI . Lazard Equity SRI . Lazard Convertible Global
Paul Castello <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Board member of the SICAVs: . Lazard Euro Short Duration SRI . Lazard Equity SRI . Norden Small . Lazard Funds (SICAV with sub-funds ) - CEO and board member of the SICAV Lazard Convertible Global

II. Directors' fees

<b>Members of the Board of Directors</b>	<b>Directors' fees paid by the SICAV</b>
Eléonore Bunel	0
François-Marc Durand	0
Jean-Jacques de Gournay	0
Monica Nescout	0
Lazard Frères Gestion SAS, represented by Alexia Latorre	0
MGEN	€1 600
Union Mutualiste Retraite (UMR)	€1 600
Paul Castello	0

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

The SICAV was not informed of the conclusion of any agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code during the financial year ended September 30th, 2022.

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

No delegation of authority pursuant to Article L. 225-37-4 para.3 of the French Commercial Code was granted or was ongoing during the financial year ended September 30th, 2022.

V. Method of operation of the general management

The Board of Directors opted to combine the functions of Chairman of the Board of Directors and Chief Executive Officer, who is known as Chairman and Chief Executive Officer.

## 5. MANAGEMENT REPORT

### PERFORMANCE

**The UCI's performance over the period was as follows:**

RC shares: FR0010230490: 3,23%,  
TC shares: FR0010235499: 3,95%,  
PC shares: FR0010235507: 3,95%,  
PVC shares: FR0013432143: 3,67%,  
PVC H-CHF shares: FR0014002X15: 3,77%,  
PD shares: FR0012156347: 3,95%.

**The benchmark's performance over the period was:**

RC shares: 0,81 %, (\*€ster +1,25%),  
TC shares: 1,44% (\*€ster +2,00%, since 01/01/2022 before €ster +1,50%),  
PC/PD shares: 1,51%, (\*€ster +2,00% since 01/01/2022 before Ester +1,50%),  
PVC shares: 1,99%, (\*€ster +2,40%),  
PVC H-CHF shares: 1,89%, (\*SARON +2,40%).

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

### ECONOMIC ENVIRONMENT

The outlook has become more clouded in recent months. The war in Ukraine and its impact on commodities is a major shock in a world where the issue of inflation has taken centre stage. Initially seen as the temporary consequence of an exceptional economic recovery due to the reopening of post-lockdown economies and thanks to significant support measures, inflation is higher than expected and seems to become more permanent. This has led to a clear shift in the stance of central banks, which are making the fight against inflation a priority.

Inflation has risen sharply around the world, on top of the increase in commodity and goods prices affected by supply issues and the pandemic. At the same time, unemployment rates have fallen sharply and labour shortages have emerged, putting upward pressure on wages, particularly in the United States, raising fears of a price-wage loop.

This environment of high inflation has led central banks to tighten their monetary policy. Russia's invasion of Ukraine caused major disruption to the global economy, and particularly to the Eurozone where the reduction in Russian gas flows in the summer of 2022 led to a surge in energy prices, increasing the risk of a recession in the short term.

In the US, GDP was up by +1,8% year-on-year in Q2 2022 and by +3,5% from its Q4 2019 level. 5,7 million jobs were created in the last twelve months, bringing total employment to 153.0 million, compared with 152.5 million before the crisis. The unemployment rate fell from 4,7% to 3,5% and the ratio between job offers and job applications increased from 1,5 to 1,8. Hourly wages increased by +5,8% year-on-year. Year-on-year inflation accelerated from +5,4% to +8,3% and from +4,0% to +6,3% excluding energy and food. In November, the US Congress adopted a \$1,200 billion infrastructure investment plan.

The Fed raised its key interest rate by 300 basis points to a band of 3,00-3,25% in five moves: +25 basis points in March, +50 basis points in May, +75 basis points in June, +75 basis points in July and +75 basis points in September. In November 2021, the Fed announced that it would slow down its asset purchases by \$15 billion a month. This pace was doubled in December. In May, the Fed announced it would begin to reduce its balance sheet from June, at a maximum pace of \$47.5 billion per month and then \$95 billion from September.

In the Eurozone, GDP was up +4,1% year-on-year in Q2 2022 and up +1,8% from its Q4 2019 level. In the four largest economies, GDP grew by +1,7% year-on-year in Germany, +4,2% in France, +5,0% in Italy and +6,8% in Spain. The Eurozone unemployment rate fell from 8,1% to 6,6%. Year-on-year inflation accelerated from +3,4% to +10,0% and from +1,9% to +4,8% excluding energy and food. In the face of the energy shock, European governments stepped up their support measures, for an estimated amount of €280 billion.

In Germany, Olaf Scholz was elected Chancellor on December 8th, 2021. A coalition government consisting of the Social Democratic Party, the Greens and the Liberals was formed. In France, Emmanuel Macron was re-elected president on April 24<sup>th</sup>, 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. The far-right Brothers of Italy party, led by Giorgia Meloni, achieved the best score with more than a quarter of the votes.

The ECB hiked its interest rates by 125 basis points in two moves: +50 basis points in July and +75 basis points in September. The deposit rate was raised from -0,50% to 0,75%, the refinancing rate from 0% to 1,25% and the marginal lending facility from 0,25% to 1,50%. In December 2021, the ECB announced that it would slow down its asset purchases in the first quarter of 2022 and that the Pandemic Emergency Purchase Programme (PEPP) would end in March 2022. In March, the ECB announced the end of the PEPP programme and a reduction in the amount of purchases under the Asset Purchase Programme (APP), while indicating that the APP could end in the third quarter of 2022. In June 2022, the ECB announced the end of the APP programme and pre-announced a rate hike for July. In July, the ECB approved the creation of a new mechanism (Transmission Protection Mechanism) that could be activated if credit spreads soar, subject to certain conditions.

In China, GDP was up by +0,4% year-on-year in Q2 2022 and by 2,6% quarter-on-quarter, against the backdrop of a continued zero-Covid policy and a slowdown in the property market. The urban unemployment rate rose from 4,9% to 5,3%. Year-on-year inflation rose from +0,7% to +2,5% in headline terms and fell from +1,2% to +0,9% excluding food and energy. The Chinese central bank cut its key interest rate by 10 basis points, bringing the 1-year refinancing rate to 2,75%. The reserve requirement ratio for the largest banks was lowered by 75 basis points to 11,25%. In March, the government announced a GDP growth target of "around 5,5%" in 2022. In April, Xi Jinping called for every effort to be made to strengthen infrastructure construction.

## MANAGEMENT POLICY

**In the first quarter, sovereign yields resumed an upward trend in October.** The energy crisis, the shortage of semiconductors and the slowdown in Chinese growth came on top of growing expectations of a restrictive change in central bank monetary policies. Overall, there was a **major flattening in the 10-30 year segment**, which usually reflects heightened concerns about growth.

**Starting in November, the "Omicron" variant appeared.** Despite the publication of solid European PMIs and the persistence of high inflation, **sovereign yields fell overall with the emergence of a new South African variant**, even though the pandemic had already rebounded sharply in Europe. In this context, **10-year yields fell in France (-24bp), Germany (-26bp) and the United States (-11bp)**. The yield curve flattening, which had previously affected the 10-30 year segment, clearly affected the 2-10 year segment. **Risky assets moved negatively, with a significant widening of credit spreads for both corporate and financial issuers.**

In December, **interest rates resumed their upward trend**, supported by the first studies on the less dangerous "Omicron" variant, high inflation figures and growth prospects. There was **tightening of risk premiums for both financial issuers** (across the capital structure) **and corporate issuers.**

Over the quarter, **the fund posted a performance of -0,37%**, mainly impacted by the **rise in interest rates in November**, despite the rebound in December. **The credit effect was positive.**

The first quarter of 2022 was marked by a number of important events. First of all, **the upward movement of sovereign yields**, which began in 2021, **continued in the first quarter** in line with central banks' increasingly hawkish stance on inflation.

**The continued inflationary pressures**, both in the United States and in Europe, prompted **central banks to speed up the pace of monetary policy tightening**. The Fed started its programme with a first of 25bp rate hike already in mid-March. **Further hikes followed throughout the year in an attempt to curb rampant inflation**. Against this backdrop, sovereign yields rose across the board: +83bp for the US 10-year and +73bp for the German 10-year.

This environment of **pressure on interest rates and uncertainties related to monetary policy tightening** automatically led to a **widening of credit risk premiums at the beginning of the quarter**. This widening gathered momentum following the deterioration of geopolitical tensions, culminating in **Russia's invasion of Ukraine in late February**. **Persistent inflation, conflict and sanctions** cast a shadow over the global growth outlook, which weighed on credit indices.

Over the quarter, risk premiums widened by +31bp for euro Investment Grade credit and by +78bp for euro corporate High Yield credit.

The interest rate effect contributed positively to the fund's performance in the first quarter: +300bp. **Our negative modified duration positioning added to performance (+446bp)** and in particular our short futures positions in US 2-year interest rates (+146bp) and German 5-year interest rates (+108bp).

**The credit effect made a negative contribution to performance (-128bp)**, as the carry was not sufficient to offset the widening of risk premiums.

**The upward movement in sovereign yields continued in the second quarter of the year** in line with central banks' increasingly hawkish stance on inflation. **The continued inflationary pressures**, both in the United States and in Europe, prompted **central banks to speed up the pace of monetary policy tightening**. After starting its programme with an initial 25bp rate hike in mid-March, **the Fed stepped up the pace with hikes of 50bp in mid-May and 75bp in mid-June** (the largest hike since 1994) **in an attempt to curb inflation, which is at its highest level in over 40 years**. **Further hikes followed in the second half of the year**. Against this backdrop, **sovereign yields rose across the board**: +67bp for the US 10-year and +79bp for the German 10-year.

This environment of **pressure on interest rates and uncertainties related to monetary policy tightening** and the **worsening of geopolitical tensions** automatically led to a **widening of credit risk premiums over the quarter**. **At end-June, fears of a possible gas rationing in Europe amplified this trend** (+83bp for euro Investment Grade credit and up to +258bp for euro Corporate High Yield credit over the period).

The interest rate effect contributed positively to the fund's performance in the second quarter: +218bp. **Our negative modified duration positioning (+346bp) offset the negative impact of the rise in interest rates (-145 bp)** and in particular our short futures positions in German 2-year (+73bp) and 10-year interest rates (+81bp) as well as on French 10-year interest rates (+241bp).

**The credit effect, however, made a negative contribution to performance (-225bp)**. The carry (+165bp) and the hedges implemented (CDS on index | +201bp) were not sufficient to offset the widening of risk premiums (-591bp).

In the third quarter, the start of the summer **proved to be rather constructive** with the traditional earnings season. Overall, **earnings were satisfactory for corporates and financial institutions**, prompting **investors to return to credit**, particularly to the Investment Grade segment. The High Yield segment also benefited from this trend, but to a lesser extent. This continued until the end of August and Jerome Powell's speech. **Investors seemed to be betting on a more dovish stance and a slowdown in the pace or magnitude of central bank rate hikes** in the face of growing fears of a recession.

But at the Jackson Hole symposium in late August, **Jerome Powell stuck to his guns and was adamant: fighting inflation** remains the **priority** of central bankers.

In early September, in Europe, **Christine Lagarde confirmed this same determination to fight inflation**. After a 50bp hike in July 2022, the ECB decided to raise its rates by a further 75bp, the largest increase in its key rates since its creation.

At the end of the period, US 5- and 10-year sovereign yields stood at respectively 4,09% (+105bp) and 3,83% (+82bp). German sovereign yields ended the month at 1,96% for the 5-year (+90bp) and 2,1% for the 10-year (+78bp).

The interest rate effect contributed positively to the fund's performance in the third quarter: +256bp. **Our negative modified duration positioning (+395bp) offset the negative impact of rising interest rates (-166bp)** and notably our short futures positions in US 2-year (+46bp), 5-year (+178bp) and 10-year (+166bp) interest rates.

**The credit effect also contributed positively to performance (+38bp)**, particularly the corporate High Yield segment (+57bp).

### Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EURO MONEY MARKET "B"	58 083 735,25	58 076 607,03
ALLEMAGNE 0.1% 15-04-26 IND	42 974 282,17	42 367 471,23
FRTR 0 1/4 07/25/24	56 150 819,70	19 121 935,61
ITALY BUONI POLIENNALI DEL TESORO 1.1% 01-04-27	19 080 192,50	19 117 646,00
GERMANY 0.1% 15-04-23 IND	36 915 844,74	
ITALY BUONI POLIENNALI DEL TESORO 2.5% 01-12-32	18 113 950,00	17 735 948,00
ALLEM 0.1% 15-04-46 IND	17 120 590,25	16 117 454,73
ALLEMAGNE 0.5% 15-04-30 IND	13 865 765,50	13 462 487,26
UNITED STATES TREAS INFLATION BONDS 0.125% 15-07-30	5 627 372,88	18 880 919,43
CASINO 1.865% 13-06-22 EMTN	8 069 493,01	8 000 000,00

## 6. REGULATORY INFORMATION

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

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

- **Exposure through efficient management techniques:**

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

- **Underlying exposure through derivative financial instruments: 2 150 988 880,10**

- Currency forwards: 239 241,95
- Futures: 1 855 749 638,15
- Options:
- Swaps: 295 000 000,00

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

Efficient portfolio management techniques	Derivative financial instruments (*)
	CACEIS BANK, LUXEMBOURG BRANCH

(\*) Excluding listed derivatives.

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

Instrument types	Amount in the currency of the portfolio
<b>Efficient portfolio management techniques</b>  . Term deposits . Equities . Bonds . UCITS . Cash (*)  <p style="text-align: right;"><b>Total</b></p>	
<b>Derivative financial instruments</b>  . Term deposits . Equities . Bonds . UCITS . Cash  <p style="text-align: right;"><b>Total</b></p>	5 810 000,00  <b>5 810 000,00</b>

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

**d) Operating income and expenses related to efficient management techniques**

Operating income and expenses	Amount in the currency of the portfolio
. Income (*) . Other income <p style="text-align: right;"><b>Total income</b></p> . Direct operating expenses . Indirect operating expenses . Other expenses <p style="text-align: right;"><b>Total expenses</b></p>	

(\*) Income on securities lending and repurchase agreements

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

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

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

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

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

### **BROKERAGE FEES**

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

### **EXERCISING VOTING RIGHTS**

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

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

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

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

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

Information concerning Article 29 LEC will be available on the Lazard Frères Gestion website, [https://www.lazardfreresgestion.fr/FR/Fonds\\_71.html](https://www.lazardfreresgestion.fr/FR/Fonds_71.html)

## 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 at 30/09/2022, in accordance with the asset management company's rating criteria, the portfolio's overall rating was 53,3917 on a scale of 0 to 100. It was 46,6354 at the start date of the calculation.

Over the measured period, the portfolio's average ESG rating varied between 43,6354 to 53,3917. 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](http://www.lazardfreresgestion.fr))

#### Analysis of investments in directly held 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 (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 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.

Lazard Frères Gestion will announce by December 30th, 2022 how this product considers negative impacts on sustainability factors.

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. These internal ESG ratings are integrated into the issuer selection process and in determining their weight in the portfolio.

Conditions enabling reduced disclosure regarding the inclusion of non-financial criteria: The rate of non-financial analysis of the UCI's investments is, depending on the UCI's investment categories, higher than:

- 90% of the UCIs net assets for bonds issued by large capitalisation companies with their registered office in "developed" countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;
- 75% of the UCIs net assets for equities issued by large capitalisation companies with their registered office 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.

In the event of investment in several categories, the above rates shall apply transparently to each category.

The portfolio's overall Moody's ESG Solutions rating will be higher than that of the benchmark ESG investment universe defined above.

#### 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 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%.

#### **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 calculation method used is the absolute VaR

Maximum level of VaR per month: 10,01%.

Minimum level of VaR per month: 3,81%.

Average level of VaR per month: 5,77%.

#### **SWING PRICING**

In order to protect the UCI's long-term shareholders, 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 shareholders entering and leaving the UCI that would otherwise have been allocated across all shareholders 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, 2021 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 31/12/2021: Fixed-term and permanent contracts of LFG, LFG Luxembourg and LFG Belgique (therefore excluding interns and apprentices and excluding LFG Courtage)

Headcount at 31/12/2021 LFG - LFG Belgique - LFG Luxembourg	Fixed annual remuneration 2021 in €	Variable remuneration for 2021 (Cash paid in 2022 and deferred allocated in 2022) in €
191	18 442 291	41 071 107

### "Identified employees"

Category	Number of employees	2021 aggregate fixed and variable remuneration (annual salaries and cash and deferred bonuses)
Senior management	3	6 464 457
Other	64	40 095 707
<b>Total</b>	<b>67</b>	<b>46 560 164</b>

*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 shareholders to:

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

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

## 7. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30/09/2022 in euros

### ASSETS

	30/09/2022	30/09/2021
<b>NET NON-CURRENT ASSETS</b>		
<b>DEPOSITS</b>		
<b>FINANCIAL INSTRUMENTS</b>	<b>657 723 947,23</b>	<b>228 015 364,64</b>
<b>Equities and similar securities</b>		
Traded on a regulated or similar market		
Not traded on a regulated or similar market		
<b>Bonds and similar securities</b>	<b>604 421 232,85</b>	<b>218 062 474,98</b>
Traded on a regulated or equivalent market	604 421 232,85	218 062 474,98
Not traded on a regulated or equivalent market		
<b>Debt securities</b>		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
<b>Undertakings for collective investment</b>	<b>29 699 759,80</b>	<b>7 854 096,00</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	29 699 759,80	7 854 096,00
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		
<b>Temporary securities transactions</b>		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
<b>Forward financial instruments</b>	<b>23 602 954,58</b>	<b>2 098 793,66</b>
Transactions on a regulated or equivalent market	8 399 683,80	2 098 793,66
Other transactions	15 203 270,78	
<b>Other financial instruments</b>		
<b>RECEIVABLES</b>	<b>40 957 094,59</b>	<b>4 477 571,61</b>
Currency forward exchange transactions	239 241,95	345 866,12
Other	40 717 852,64	4 131 705,49
<b>FINANCIAL ACCOUNTS</b>	<b>33 139 948,60</b>	<b>9 160 901,31</b>
Cash and cash equivalents	33 139 948,60	9 160 901,31
<b>TOTAL ASSETS</b>	<b>731 820 990,42</b>	<b>241 653 837,56</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	30/09/2022	30/09/2021
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	590 143 514,20	231 246 340,46
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)	198,05	128,73
Net capital gains and losses for the year (a, b)	84 708 833,42	2 110 174,88
Net income for the year (a,b)	15 935 720,47	5 230 611,00
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>690 788 266,14</b>	<b>238 587 255,07</b>
<i>* Sum representing the net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>	<b>8 426 984,83</b>	<b>2 098 793,41</b>
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments	8 426 984,83	2 098 793,41
Transactions on a regulated or equivalent market	8 426 984,83	2 098 793,41
Other transactions		
<b>LIABILITIES</b>	<b>24 006 009,19</b>	<b>967 788,51</b>
Currency forward exchange transactions	238 969,36	343 816,85
Other	23 767 039,83	623 971,66
<b>FINANCIAL ACCOUNTS</b>	<b>8 599 730,26</b>	<b>0,57</b>
Bank overdrafts	8 599 730,26	0,57
Borrowings		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>731 820 990,42</b>	<b>241 653 837,56</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS AT 30/09/2022 *in euros*

	30/09/2022	30/09/2021
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
EURO SCHATZ 1222	1 714 640 000,00	
EURO BOBL 1222	119 750 000,00	
US 10YR NOTE 1221		12 491 506,32
EC EURUSD 1222	18 849 525,34	
RP EURGBP 1222	2 510 112,81	
Commitments on OTC markets		
Credit Default Swaps		
ITRAXX EUR XOVER S38	195 000 000,00	
ITRAXX EUR XOVER S38	100 000 000,00	
Other commitments		
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
FGBL BUND 10A 1221		42 455 000,00
TU CBOT UST 2 1221		132 911 930,28
XEUR FGBX BUX 1221		24 400 800,00
CBOT USUL 30A 1221		24 728 741,53
Commitments on OTC markets		
Other commitments		

**INCOME STATEMENT AT 30/09/2022 in euros**

	<b>30/09/2022</b>	<b>30/09/2021</b>
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	28 214,17	342,83
Income from equities and similar securities	1 880,00	1 606,50
Income from bonds and similar securities	15 893 265,62	6 584 395,49
Income from debt securities		
Income from temporary purchases and sales of securities	2 977,31	5 101,52
Income from forward financial instruments		
Other financial income		
<b>TOTAL (1)</b>	<b>15 926 337,10</b>	<b>6 591 446,34</b>
<b>Expenses related to financial transactions</b>		
Expenses related to temporary purchases and sales of securities	17 164,81	12 257,40
Expenses related to forward financial instruments		
Expenses related to financial liabilities	77 533,78	19 043,54
Other financial charges		
<b>TOTAL (2)</b>	<b>94 698,59</b>	<b>31 300,94</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>15 831 638,51</b>	<b>6 560 145,40</b>
Other income (3)		
Management fees and depreciation and amortisation (4)	5 145 912,12	2 047 792,40
<b>NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>10 685 726,39</b>	<b>4 512 353,00</b>
Income adjustment for the financial year (5)	5 249 994,08	718 258,00
Interim dividends paid on net income for the financial year (6)		
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>15 935 720,47</b>	<b>5 230 611,00</b>

# 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, sincerity,
- prudence,
- consistency of accounting methods from one financial year to the next.

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

### Asset valuation rules

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

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

○ **Fixed-income securities:**

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

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

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

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price 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:

○ **Negotiable debt securities:**

- **Negotiable debt securities with a residual maturity of more than three months:**

Negotiable debt securities traded in large volumes are valued at market price.

In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic characteristics.

Benchmark rate	
Negotiable debt securities in euros	Negotiable debt securities in other currencies
Euribor, OISs and BTFs - 3 - 6 - 9 - 12 months BTANs - 18 months, 2 - 3 - 4 - 5 years	Official key rates in the relevant countries

- **Negotiable debt securities with a residual maturity of three months or less:**

Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.

○ **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 SICAV'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 SICAV'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 SICAV'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, 2005. Shareholders can consult information on this mechanism in the SICAV's 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) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

$$\frac{\text{Net assets excluding UCIs managed by Lazard Frères Gestion SAS} \times \text{operating and management fees rate}}{\text{x no. of days between the calculated NAV and the previous NAV}} \\ 365 \text{ (or 366 in a leap year)}$$

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.

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

<i>Fees charged to the Sub-fund</i>	<i>Basis</i>	<i>Share</i>	<i>Rate (Maximum incl. taxes)</i>	
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion	RC EUR	1,715%	
		PC EUR	1%	
		PD EUR	1%	
		PVC EUR	0,60%	
		TC EUR	1%	
		PVC H-CHF	0,60%	
		FC EUR	1,00%	
		PC USD	1%	
		PC H-USD	1,05%	
		RC H-USD	1,765%	
		RD H-USD	1,765%	
Administrative fees external to the management company	Net assets	Applied to all shares	0,035%	
Indirect charges (management fees and expenses)	NA	Applied to all shares	None	
Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Applied to all shares	Bonds, foreign exchange	From 0% to 0,005%
			Futures and other transactions	From €0 to €450 per batch/contract
Performance fee	Net assets	RC EUR, PC EUR, PD EUR, TC EUR, FC EUR, PC USD, PC H-USD, RC H-USD, RD H-USD	None	
		PVC EUR, PVC H-CHF	20% of the Fund's outperformance relative to the benchmark index	

Details of the calculation of the performance fee:

The performance fee corresponds to a variable charge and is contingent on the Sub-fund 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 Sub-fund share and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual Sub-fund. The outperformance generated by the Sub-fund share on a given date is defined as the positive difference between the assets of the Sub-fund share 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 01/10/2021. At the end of each financial year, one of the following two cases may occur:

- The Sub-fund share 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 Sub-fund share 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 20% of the outperformance) when the performance of the Sub-fund share 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 shares redeemed is definitively acquired and charged by the management company.

### 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:

<b>Share(s)</b>	<b>Allocation of net income</b>	<b>Allocation of net realised capital gains or losses</b>
LAZARD CREDIT OPPORTUNITIES FC EUR shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES PC EUR shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES PC H-USD shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES PC USD shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES PD EUR shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD CREDIT OPPORTUNITIES PVC EUR shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES PVC H-CHF shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES RC EUR shares	Accumulation	Accumulation

<i>Share(s)</i>	<i>Allocation of net income</i>	<i>Allocation of net realised capital gains or losses</i>
LAZARD CREDIT OPPORTUNITIES RC H-USD shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES RD H-USD shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD CREDIT OPPORTUNITIES TC EUR shares	Accumulation	Accumulation

2. CHANGE IN NET ASSETS AT 30/09/2022 in euros

	30/09/2022	30/09/2021
<b>NET ASSETS AT START OF YEAR</b>	<b>238 587 255,07</b>	<b>122 844 815,48</b>
Subscriptions (including subscription fees retained by the Fund)	484 073 103,32	147 306 615,40
Redemptions (net of redemption fees retained by the Fund)	-50 539 598,15	-45 082 351,38
Realised capital gains on deposits and financial instruments	2 066 242,00	5 573 117,80
Realised capital losses on deposits and financial instruments	-7 637 489,13	-842 621,39
Realised capital gains on forward financial instruments	295 311 969,88	394 902 620,23
Realised capital losses on forward financial instruments	-232 821 318,95	-401 243 705,02
Transaction charges	-998 425,75	-216 298,15
Exchange rate differences	2 661 320,70	599 046,75
Changes in valuation difference of deposits and financial instruments	-54 73 6 308,97	8 787 454,73
<i>Valuation difference for financial year N</i>	<i>-48 542 214,92</i>	<i>6 194 094,05</i>
<i>Valuation difference for financial year N-1</i>	<i>-6 194 094,05</i>	<i>2 593 360,68</i>
Changes in valuation difference of forward financial instruments	4 733 753,65	2 212 003,66
<i>Valuation difference for financial year N</i>	<i>6 832 547,31</i>	<i>2 098 793,66</i>
<i>Valuation difference for financial year N-1</i>	<i>-2 098 793,66</i>	<i>113 210,00</i>
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year	-597 963,92	-766 099,35
Net profit/loss for the financial year prior to income adjustment	10 685 726,39	4 512 353,00
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 (*)		303,31
<b>NET ASSETS AT END OF YEAR</b>	<b>690 788 266,14</b>	<b>238 587 255,07</b>

(\*) N-1: Result of the merger of the funds (106016) Lazard Crédit Opportunities 1 and (106017) Lazard Crédit Opportunities II in the SICAV (106002) Lazard Crédit Opportunities for an amount of €303,31.

### 3. ADDITIONAL INFORMATION

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

	Amount	%
<b>ASSETS</b>		
<b>BONDS AND SIMILAR SECURITIES</b>		
Fixed-rate bonds traded on a regulated or similar market	517 413 196,90	74,90
Fixed-rate bonds traded on a regulated or similar market	1 555 667,25	0,23
Fixed-rate bonds traded on a regulated or similar market	11 722 076,37	1,70
Other bonds (index-linked, equity-linked)	73 730 292,33	10,67
<b>TOTAL BONDS AND SIMILAR SECURITIES</b>	<b>604 421 232,85</b>	<b>87,50</b>
<b>DEBT SECURITIES</b>		
<b>TOTAL DEBT SECURITIES</b>		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SALES OF FINANCIAL INSTRUMENTS</b>		
<b>TOTAL SALES OF OFF-BALANCE SHEET FINANCIAL INSTRUMENTS</b>		
<b>HEDGING TRANSACTIONS</b>		
Currency	21 359 638,15	3,09
Credit	295 000 000,00	42,71
Interest rates	1 834 390 000,00	265,55
<b>TOTAL HEDGING TRANSACTIONS</b>	<b>2 150 749 638,15</b>	<b>311,35</b>
<b>OTHER TRANSACTIONS</b>		
<b>TOTAL OTHER TRANSACTIONS</b>		

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>ASSETS</b>								
Deposits								
Bonds and similar securities	517 413 196,90	74,90			13 277 743,62	1,92	73 730 292,33	10,67
Debt securities								
Temporary securities transactions								
Financial accounts							33 139 948,60	4,80
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Temporary securities transactions								
Financial accounts							8 599 730,26	1,24
<b>OFF-BALANCE SHEET</b>								
Hedging transactions	1 834 390 000,00	265,55						
Other transactions								

### 3.3. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY<sup>0</sup>

	< 3 months	%	]3 months-1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>ASSETS</b>										
Deposits										
Bonds and similar securities	19 042 734,44	2,76	112 094 409,45	16,23	145 155 333,89	21,01	60 395 920,82	8,74	267 732 834,25	38,76
Debt securities										
Temporary securities transactions										
Financial accounts	33 139 948,60	4,80								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
Temporary securities transactions										
Financial accounts	8 599 730,26	1,24								
<b>OFF-BALANCE SHEET</b>										
Hedging transactions					1 714 640 000,00	248,21	119 750 000,00	17,34		
Other transactions										

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

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

	Currency 1 USD		Currency 2 CHF		Currency 3 GBP		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
Deposits								
Equities and similar securities								
Bonds and similar securities	10 258,77				2 276 965,25	0,33		
Debt securities								
UCIs								
Temporary securities transactions								
Receivables	480 032,64	0,07	205 542,18	0,03	60 164,08	0,01		
Financial accounts	32 960 762,85	4,77			179 180,36	0,03	5,39	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Sales of financial instruments								
Temporary securities transactions								
Liabilities	14 290 818,15	2,07	1 481,84					
Financial accounts			1 323,12					
<b>OFF-BALANCE SHEET</b>								
Hedging transactions	18 849 525,34	2,73			2 510 112,81	0,36		
Other transactions								

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

	Debit/credit item	30/09/2022
<b>RECEIVABLES</b>		
	Forward currency purchases	239 241,95
	Deferred settlement sale	17 883 461,46
	Subscription receivables	3 135 542,33
	Margin cash deposits	18 954 973,85
	Coupons and dividends in cash	743 875,00
<b>TOTAL RECEIVABLES</b>		<b>40 957 094,59</b>
<b>LIABILITIES</b>		
	Payables on forward currency purchases	238 969,36
	Deferred settlement purchase	14 290 818,15
	Redemptions payable	2 130 151,62
	Fixed management fees	599 963,28
	Variable management fees	936 106,78
	Collateral	5 810 000,00
<b>TOTAL LIABILITIES</b>		<b>24 006 009,19</b>
<b>TOTAL LIABILITIES AND RECEIVABLES</b>		<b>16 951 085,40</b>

### 3.6. SHAREHOLDERS' EQUITY

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

	In equity	In amounts
<b>LAZARD CREDIT OPPORTUNITIES FC EUR shares</b>		
Shares subscribed during the financial year	20 000,000	20 000 000,00
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	20 000,000	20 000 000,00
Number of shares outstanding at the end of the financial year	20 000,000	
<b>LAZARD CREDIT OPPORTUNITIES PC EUR shares</b>		
Shares subscribed during the financial year	157 330,687	220 034 361,19
Shares redeemed during the financial year	-18 141,588	-25 217 793,63
Net balance of subscriptions/redemptions	139 189,099	194 816 567,56
Number of shares outstanding at the end of the financial year	245 588,975	
<b>LAZARD CREDIT OPPORTUNITIES PC H-USD shares</b>		
Shares subscribed during the financial year	1,000	982,95
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	982,95
Number of shares outstanding at the end of the financial year	1,000	
<b>LAZARD CREDIT OPPORTUNITIES PC USD shares</b>		
Shares subscribed during the financial year	1,000	982,95
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	982,95
Number of shares outstanding at the end of the financial year	1,000	
<b>LAZARD CREDIT OPPORTUNITIES PD EUR shares</b>		
Shares subscribed during the financial year	1 136,393	1 085 219,60
Shares redeemed during the financial year	-37,000	-35 323,16
Net balance of subscriptions/redemptions	1 099,393	1 049 896,44
Number of shares outstanding at the end of the financial year	26 452,393	
<b>LAZARD CREDIT OPPORTUNITIES PVC EUR shares</b>		
Shares subscribed during the financial year	123 954,022	143 261 127,98
Shares redeemed during the financial year	-8 396,274	-9 817 448,22
Net balance of subscriptions/redemptions	1 15 557,748	133 443 679,76
Number of shares outstanding at the end of the financial year	146 764,717	
<b>LAZARD CREDIT OPPORTUNITIES PVC H-CHF shares</b>		
Shares subscribed during the financial year	41,273	41 849,57
Shares redeemed during the financial year	-230,000	-223 472,85
Net balance of subscriptions/redemptions	-188,727	-181 623,28
Number of shares outstanding at the end of the financial year	188,273	
<b>LAZARD CREDIT OPPORTUNITIES RC EUR shares</b>		
Shares subscribed during the financial year	143 103,576	92 582 482,24
Shares redeemed during the financial year	-23 559,525	-15 133 484,23
Net balance of subscriptions/redemptions	1 19 544,051	77 448 998,01
Number of shares outstanding at the end of the financial year	161 067,953	

	In equity	In amounts
<b>LAZARD CREDIT OPPORTUNITIES RC H-USD shares</b>		
Shares subscribed during the financial year	121,000	60 359,47
Shares redeemed during the financial year	-60,000	-29 934,00
Net balance of subscriptions/redemptions	61,000	30 425,47
Number of shares outstanding at the end of the financial year	61,000	
<b>LAZARD CREDIT OPPORTUNITIES RD H-USD shares</b>		
Shares subscribed during the financial year	1,000	491,47
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	491,47
Number of shares outstanding at the end of the financial year	1,000	
<b>LAZARD CREDIT OPPORTUNITIES TC EUR shares</b>		
Shares subscribed during the financial year	515,260	7 005 245,90
Shares redeemed during the financial year	-6,000	-82 142,06
Net balance of subscriptions/redemptions	509,260	6 923 103,84
Number of shares outstanding at the end of the financial year	934,260	

### 3.6.2. Subscription and/or redemption fees

	In amounts
<b>LAZARD CREDIT OPPORTUNITIES FC EUR shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD CREDIT OPPORTUNITIES PC EUR shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD CREDIT OPPORTUNITIES PC H-USD shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD CREDIT OPPORTUNITIES PC USD shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD CREDIT OPPORTUNITIES PD EUR shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD CREDIT OPPORTUNITIES PVC EUR shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

	In amounts
<b>LAZARD CREDIT OPPORTUNITIES PVC H-CHF shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD CREDIT OPPORTUNITIES RC EUR shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD CREDIT OPPORTUNITIES RC H-USD shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD CREDIT OPPORTUNITIES RD H-USD shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD CREDIT OPPORTUNITIES TC EUR shares</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

### 3.7. MANAGEMENT FEES

	30/09/2022
<b>LAZARD CREDIT OPPORTUNITIES FC EUR shares</b>	
Guarantee fees	
Fixed management fees	91 045,91
Percentage of fixed management fees	0,81
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
<b>LAZARD CREDIT OPPORTUNITIES PC EUR shares</b>	
Guarantee fees	
Fixed management fees	2 332 667,25
Percentage of fixed management fees	1,00
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.”

	30/09/2022
<b>LAZARD CREDIT OPPORTUNITIES PC H-USD shares</b>	
Guarantee fees	
Fixed management fees	
Percentage of fixed management fees	
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
<b>LAZARD CREDIT OPPORTUNITIES PC USD shares</b>	
Guarantee fees	
Fixed management fees	
Percentage of fixed management fees	
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
<b>LAZARD CREDIT OPPORTUNITIES PD EUR shares</b>	
Guarantee fees	
Fixed management fees	244 297,74
Percentage of fixed management fees	
Provisioned variable management fees	
Percentage of variable management fees provisioned	1,00
Variable management fees earned	
Percentage of variable management fees acquired Retrocessions of management fees	
<b>LAZARD CREDIT OPPORTUNITIES PVC EUR shares</b>	
Guarantee fees	
Fixed management fees	718 485,56
Percentage of fixed management fees	0,61
Provisioned variable management fees	804 897,85
Percentage of variable management fees provisioned	0,68
Variable management fees earned	22 939,82
Percentage of variable management fees earned	0,02
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.”

	30/09/2022
<b>LAZARD CREDIT OPPORTUNITIES PVC H-CHF shares</b>	
Guarantee fees	
Fixed management fees	1 566,12
Percentage of fixed management fees	0,61
Provisioned variable management fees	539,81
Percentage of variable management fees provisioned	0,21
Variable management fees earned	603,55
Percentage of variable management fees earned	0,24
Retrocessions of management fees	
<b>LAZARD CREDIT OPPORTUNITIES RC EUR shares</b>	
Guarantee fees	
Fixed management fees	850 255,01
Percentage of fixed management fees	1,69
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
<b>LAZARD CREDIT OPPORTUNITIES RC H-USD shares</b>	
Guarantee fees	
Fixed management fees	75,22
Percentage of fixed management fees	1,71
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
<b>LAZARD CREDIT OPPORTUNITIES RD H-USD shares</b>	
Guarantee fees	
Fixed management fees	
Percentage of fixed management fees	
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.”

	30/09/2022
<b>LAZARD CREDIT OPPORTUNITIES TC EUR shares</b>	
Guarantee fees	
Fixed management fees	78 538,28
Percentage of fixed management fees	1,00
Provisioned variable management fees	
Percentage of variable management fees provisioned Variable management fees earned	
Percentage of variable management fees acquired 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

	30/09/2022
Securities held under repurchase agreements	
Borrowed securities	

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

	30/09/2022
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	30/09/2022
Equities			
Bonds			
Negotiable debt securities			
UCIs			29 699 759,80
	FR0010505313	LAZARD EURO CORP HIGH YIELD PC EUR	13 542 328,80
	FR0013507027	LAZARD EURO SHORT DURATION HIGH YIELD SRI PART EVC	6 869 330,00
	FR001400BVQ9	LAZARD GLOBAL GREEN BOND OPPORTUNITIES EC EUR	7 000 000,00
	FR0013314440	LAZ GL HYBR BD EV EUR	2 288 101,00
Forward financial instruments			
<b>Total group securities</b>			<b>29 699 759,80</b>

### 3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

#### Table of appropriation of distributable income pertaining to net income

	30/09/2022	30/09/2021
<b>Remaining amounts to be allocated</b>		
Retained earnings	198,05	128,73
Net income	15 935 720,47	5 230 611,00
<b>Total</b>	<b>15 935 918,52</b>	<b>5 230 739,73</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES FC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	329 977,47	
<b>Total</b>	<b>329 977,47</b>	

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	8 805 258,71	3 578 141,19
<b>Total</b>	<b>8 805 258,71</b>	<b>3 578 141,19</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PC H-USD shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	6,65	
<b>Total</b>	<b>6,65</b>	

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PC USD shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	6,55	
<b>Total</b>	<b>6,55</b>	

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PD EUR shares</b>		
<b>Appropriation</b>		
Distribution	650 464,34	598 837,86
Balance brought forward for the financial year	77,29	189,87
Accumulation		
<b>Total</b>	<b>650 541,63</b>	<b>599 027,73</b>
<b>Information on shares with dividend rights</b>		
Number of shares	26 452,393	25 353,000
Dividend per share	24,59	23,62
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of earnings</b>	<b>6,14</b>	<b>35,03</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PVC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	3 880 358,93	432 912,65
<b>Total</b>	<b>3 880 358,93</b>	<b>432 912,65</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PVC H-CHF shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	4 604,13	3 691,91
<b>Total</b>	<b>4 604,13</b>	<b>3 691,91</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES RC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	1 942 559,74	482 192,61
<b>Total</b>	<b>1 942 559,74</b>	<b>482 192,61</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES RC H-USD shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	126,09	
<b>Total</b>	<b>126,09</b>	

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES RD H-USD shares</b>		
<b>Appropriation</b>		
Distribution	3,29	
Balance brought forward for the financial year		
Accumulation		
<b>Total</b>	<b>3,29</b>	
<b>Information on shares with dividend rights</b>		
Number of shares	1,000	
Dividend per share	3,29	
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of earnings</b>		

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES TC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	322 475,33	134 773,64
<b>Total</b>	<b>322 475,33</b>	<b>134 773,64</b>

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

	30/09/2022	30/09/2021
<b>Remaining amounts to be allocated</b>		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	84 708 833,42	2 110 174,88
Interim dividends paid on net capital gains/losses for the financial year		
<b>Total</b>	<b>84 708 833,42</b>	<b>2 110 174,88</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES FC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	1 703 573,34	
<b>Total</b>	<b>1 703 573,34</b>	

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	43 422 892,31	1 255 040,97
<b>Total</b>	<b>43 422 892,31</b>	<b>1 255 040,97</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PC H-USD shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	26,18	
<b>Total</b>	<b>26,18</b>	

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PC USD shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	23,44	
<b>Total</b>	<b>23,44</b>	

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PD EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses	3 209 067,58	
Accumulation		252 687,26
<b>Total</b>	<b>3 209 067,58</b>	<b>252 687,26</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PVC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	21 628 255,63	314 889,19
<b>Total</b>	<b>21 628 255,63</b>	<b>314889,19</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES PVC H-CHF shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	46 855,49	8 035,63
<b>Total</b>	<b>46 855,49</b>	<b>8 035,63</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES RC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	13 107 051,98	231 184,05
<b>Total</b>	<b>13 107 051,98</b>	<b>231 184,05</b>

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES RC H-USD shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	796,70	
<b>Total</b>	<b>796,70</b>	

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES RD H-USD shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses	13,10	
Accumulation		
<b>Total</b>	<b>13,10</b>	

	30/09/2022	30/09/2021
<b>LAZARD CREDIT OPPORTUNITIES TC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	1 590 277,67	48 337,78
<b>Total</b>	<b>1 590 277,67</b>	<b>48 337,78</b>

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

	28/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
<b>Global net assets in euros</b>	<b>109 526 923,62</b>	<b>90 392 045,05</b>	<b>122 844 815,48</b>	<b>238 587 255,07</b>	<b>690 788 266,14</b>
<b>LAZARD CREDIT OPPORTUNITIES FC EUR shares in EUR</b>					
Net assets					21 057 300,65
Number of shares					20 000,000
Net asset value per share					1 052,86
Accumulation per share pertaining to net capital gains/losses					85,17
Accumulation per share pertaining to income					16,49
<b>LAZARD CREDIT OPPORTUNITIES PC EUR shares in EUR</b>					
Net assets	60 515 115,17	49 665 121,68	74 644 208,05	146 124 423,38	350 593 197,92
Number of shares	54,000	44,000	60 119,671	106 399,876	245 588,975
Net asset value per share	1 120 650,28	1 128 752,76	1 241,59	1 373,35	1 427,56
Accumulation per share pertaining to net capital gains/losses	17 963,81	-97 681,48	87,78	1 1,79	176,81
Accumulation per share pertaining to income	35 125,21	27 779,92	31,14	33,62	35,85
<b>LAZARD CREDIT OPPORTUNITIES PC H-USD shares in USD</b>					
Net assets in US dollars					1 022,49
Number of shares					1,000
Net asset value per share in US dollars					1 022,49
Accumulation per unit pertaining to net capital gains/losses in euros					26,18
Accumulation per share pertaining to income in euros					6,65

	28/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
<b>LAZARD CREDIT OPPORTUNITIES PC USD shares in USD</b>					
Net assets in US dollars					988,45
Number of shares					1,000
Net asset value per share in US dollars					988,45
Accumulation per share pertaining to net capital gains/losses in euros					23,44
Accumulation per share pertaining to income in euros					6,55
<b>LAZARD CREDIT OPPORTUNITIES PD EUR shares in EUR</b>					
Net assets	37 922 500,36	31 362 030,60	30 752 477,29	24 281 593,34	25 691 873,07
Number of shares	43 993,000	37 987,394	34 688,944	25 353,000	26 452,393
Net asset value per share	862,01	825,59	886,52	957,74	971,24
Distribution per share pertaining to net capital gains/losses	13,47				
Net capital gains/losses per share not distributed					121,31
Accumulation per share pertaining to net capital gains/losses		-73,56	63,13	9,96	
Distribution of income per share:	27,58	20,63	22,37	23,62	24,59
Tax credit per share				0,001	(*)

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

	28/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
<b>LAZARD CREDIT OPPORTUNITIES PVC EUR shares in EUR</b>					
Net assets			84 218,12	35 870 181,07	174 887 231,11
Number of shares			80,000	31 206,969	146 764,717
Net asset value per share			1 052,72	1 149,42	1 191,61
Accumulation per share pertaining to net capital gains/losses			54,54	10,09	147,36
Accumulation per share pertaining to income			25,62	13,87	26,43
<b>LAZARD CREDIT OPPORTUNITIES PVC H-CHF shares in CHF</b>					
Net assets in Swiss francs				376 768,13	195 241,23
Number of shares				377,000	188,273
Net asset value per share in Swiss francs				999,38	1 037,01
Accumulation per share pertaining to net capital gains/losses in euros				21,31	248,86
Accumulation per share pertaining to income in euros				9,79	24,45
<b>LAZARD CREDIT OPPORTUNITIES RC EUR shares in EUR</b>					
Net assets	6 165 205,08	7 544 907,76	14 553 463,27	26 343 464,11	105 482 059,90
Number of shares	11 721,000	14 310,000	25 213,047	41 523,902	161 067,953
Net asset value per share	525,99	527,24	577,21	634,41	654,89
Accumulation per share pertaining to net capital gains/losses	8,43	-45,78	40,96	5,56	81,37
Accumulation per share pertaining to income	13,90	10,50	11,91	11,61	12,06

	28/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
<b>LAZARD CREDIT OPPORTUNITIES RC H-USD shares in USD</b>					
Net assets in US dollars					31 110,63
Number of shares					61,000
Net asset value per share in US dollars					510,01
Accumulation per share pertaining to net capital gains/losses in euros					13,06
Accumulation per share pertaining to income in euros					2,06
<b>LAZARD CREDIT OPPORTUNITIES RD H-USD shares in USD</b>					
Net assets in US dollars					510,93
Number of shares					1,000
Net asset value per share in US dollars					510,93
Undistributed net capital gains/losses per share in euros					13,10
Distribution of income per share in euros					3,29
Tax credit per share in euros					(*)
<b>LAZARD CREDIT OPPORTUNITIES TC EUR shares in EUR</b>					
Net assets	4 924 103,01	1 819 985,01	2 810 448,75	5 619 088,75	12 839 781,97
Number of shares	454,000	167,000	235,000	425,000	934,260
Net asset value per share	10 846,04	10 898, 11	11 959,35	13 221,38	13 743,26
Accumulation per share pertaining to net capital gains/losses	173,88	-944,77	847,14	1 13,73	1 702,17
Accumulation per share pertaining to income	313,32	242,65	273,52	317,11	345,16

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

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Bonds and similar securities</b>				
<b>Bonds and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
ALLIANZ SE 2.6% PERP	EUR	2 000 000	1 249 447,12	0,18
CMZB FRANCFORT 1.375% 29-12-31	EUR	3 000 000	2 378 055,82	0,35
CMZB FRANCFORT 4.0% 05-12-30	EUR	1 600 000	1 511 584,77	0,22
CMZB FRANCFORT 6.125% PERP	EUR	3 000 000	2 626 649,59	0,38
CMZB FRANCFORT 6.5% 06-12-32	EUR	4 000 000	3 863 865,21	0,56
CT INVESTMENT 5.5% 15-04-26	EUR	500 000	434 732,22	0,06
DEUTSC 4.5% 19-05-26 EMTN	EUR	500 000	487 246,85	0,07
DEUTSCHE BK 4.0% 24-06-32 EMTN	EUR	1 000 000	872 220,27	0,13
DEUTSCHE BK 4.5% PERP	EUR	2 600 000	1 840 998,03	0,26
DEUTSCHE BK 4.625% PERP	EUR	2 400 000	1 657 077,21	0,24
DEUTSCHE BK 5.625% 19-05-31	EUR	2 500 000	2 439 555,31	0,35
DEUTSCHE LUFTHANSA AG 1.625% 16-11-23	EUR	1 800 000	1 760 644,11	0,26
DEUTSCHE LUFTHANSA AG 2.0% 14-07-24	EUR	1 700 000	1 605 986,86	0,24
DEUTSCHE LUFTHANSA AG 2.875% 11-02-25	EUR	1 000 000	917 980,27	0,13
DEUTSCHE PFANDBRIEFBANK AG EUAR05+2.75% 28-06-27	EUR	1 700 000	1 526 094,75	0,22
GERMANY 0.1% 15-04-23 IND	EUR	30 000 000	36 994 055,85	5,36
HP PELZER 4.125% 01-04-24	EUR	1 000 000	782 933,75	0,11
INFINEON TECHNOLOGIES AG 0.75% 24-06-23	EUR	6 000 000	5 926 595,34	0,86
KS AKTUELL AG 2.625% 06-04-23	EUR	2 000 000	2 024 844,25	0,29
NIDDA BOND 7.25% 30-09-25	EUR	500 000	443 498,05	0,06
THYSSENKRUPP AG 1.875% 06-03-23	EUR	6 000 000	5 962 052,47	0,86
THYSSENKRUPP AG 2.875% 22-02-24	EUR	2 000 000	1 917 687,67	0,27
VOLKSWAGEN LEASING 1.125% 04-04-24	EUR	3 000 000	2 914 096,23	0,43
ZF NA CAPITAL 2.75% 27-04-23	EUR	5 000 000	4 993 598,97	0,72
<b>TOTAL GERMANY</b>			<b>87 131 500,97</b>	<b>12,61</b>
<b>AUSTRIA</b>				
RAIFFEISEN BANK INTERNATIONAL AG 6.125% PERP	EUR	7 000 000	6 168 160,74	0,89
VILKSBANK WIEN AG 7.75% PERP	EUR	3 000 000	2 881 278,77	0,42
<b>TOTAL AUSTRIA</b>			<b>9 049 439,5 1</b>	<b>1,31</b>
<b>BELGIUM</b>				
AGEAS NV 3.875% PERP	EUR	1 400 000	974 386,10	0,14
BELFIUS BANK 3.625% PERP	EUR	6 000 000	4 318 298,85	0,63
FORTIS BK TV07-191272 CV	EUR	2 000 000	1 555 667,25	0,22
<b>TOTAL BELGIUM</b>			<b>6 848 352,20</b>	<b>0,99</b>
<b>BERMUDA</b>				
CELE NUTR LTD 12-06-11 IN DEFAULT	SGD	1 000 000		
<b>TOTAL BERMUDA</b>				
<b>BRAZIL</b>				
X PETROLEO 8.5% 01/06/2018 SERIE REGS DEFAULT	USD	2 000 000	10 258,77	
<b>TOTAL BRAZIL</b>			<b>10 258,77</b>	
<b>SPAIN</b>				
ABANCA CORPORACION BANCARIA 6.0% PERP	EUR	1 200 000	967 657,57	0,14
ABANCA CORPORACION BANCARIA 6.125% 18-01-29	EUR	3 000 000	3 074 811,99	0,45
ABANCA CORPORACION BANCARIA 7.5% PERP	EUR	6 000 000	5 577 555,65	0,81
BANCO DE BADELL 2.0% 17-01-30	EUR	2 000 000	1 741 583,15	0,26

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR (continued)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
BANCO DE BADELL 2.5% 15-04-31	EUR	4 000 000	3 268 683,29	0,47
BANCO DE BADELL 2.625% 24-03-26	EUR	1 200 000	1 128 782,47	0,16
BANCO DE BADELL 5.0% PERP	EUR	3 000 000	2 087 550,00	0,30
BANCO DE BADELL 5.75% PERP	EUR	1 000 000	786 321,37	0,11
BANCO DE CREDITO SOCIAL 5.25% 27-1 1-31	EUR	2 500 000	2 074 832,19	0,30
BANCO DE CREDITO SOCIAL 8.0% 22-09-26	EUR	6 900 000	6 895 136,45	0,99
BANCO NTANDER 3.625% PERP	EUR	3 000 000	1 862 863,93	0,27
BANCO SANTANDER SA 5.25% PERP	EUR	4 000 000	3 606 484,62	0,52
BANKIA 6.375% PERP	EUR	7 000 000	6 671 259,42	0,97
CAIXABANK 3.625% PERP	EUR	2 000 000	1 273 833,52	0,18
GRIFOLS 1.625% 15-02-25	EUR	5 000 000	4 459 159,03	0,65
GRIFOLS 3.2% 01-05-25	EUR	1 500 000	1 337 872,50	0,20
IBERCAJA 2.75% 23-07-30	EUR	1 000 000	832 145,00	0,12
IBERCAJA 3.75% 15-06-25	EUR	6 800 000	6 732 775,95	0,97
IBERCAJA 7.0% PERP	EUR	3 400 000	3 245 196,52	0,47
INTL CONSOLIDATED AIRLINES GROU 0.5% 04-07-23	EUR	7 000 000	6 656 546,92	0,96
MASARIA INVESTMENTS SAU 5.0% 15-09-24	EUR	3 000 000	2 837 021,67	0,41
NH HOTELES GROUP 4.0% 02-07-26	EUR	500 000	442 636,11	0,06
UNICAJA BAN 2.875% 13-11-29	EUR	3 500 000	3 186 345,10	0,47
UNICAJA BAN 3.125% 19-07-32	EUR	2 800 000	2 125 192,90	0,31
UNICAJA BAN 4.5% 30-06-25 EMTN	EUR	3 500 000	3 522 402,16	0,51
UNICAJA BAN 4.875% PERP	EUR	2 200 000	1 497 124,69	0,22
<b>TOTAL SPAIN</b>			<b>77 891 774,17</b>	<b>1 1,28</b>
<b>ESTONIA</b>				
AKTSIASELTS LUMINOR BANK ZCP 29-08-24	EUR	7 100 000	7 107 302,28	1,03
<b>TOTAL ESTONIA</b>			<b>7 107 302,28</b>	<b>1,03</b>
<b>UNITED STATES</b>				
FORD MOTOR CREDIT 1.514% 17-02-23	EUR	6 000 000	6 006 052,77	0,87
FORD MOTOR CREDIT 1.744% 19-07-24	EUR	1 250 000	1 158 905,15	0,17
NETFLIX 3.625% 15-05-27	EUR	5 000 000	4 798 132,64	0,69
NETFLIX 3.625% 15-06-30	EUR	3 000 000	2 610 722,08	0,38
ORGANON FINANCE 1 LLC 2.875% 30-04-28	EUR	5 500 000	4 492 667,36	0,65
QUINTILES IMS 2.25% 15-01-28	EUR	4 000 000	3 245 150,00	0,47
<b>TOTAL UNITED STATES</b>			<b>22 311 630,00</b>	<b>3,23</b>
<b>FRANCE</b>				
ACCOR 3.625% 17/09/2023	EUR	1 000 000	999 623,36	0,14
ACCOR SA 2.625% PERP	EUR	6 000 000	4 736 856,58	0,69
AIR FRANCEKLM 3.75% 12-10-22	EUR	8 800 000	9 089 063,12	1,31
AIR FR KLM 1.875% 16-01-25	EUR	4 000 000	3 462 350,14	0,50
AIR FR KLM 3.0% 01-07-24	EUR	2 000 000	1 911 916,44	0,27
BANIJAY ENTERTAINMENT SASU 3.5% 01-03-25	EUR	2 000 000	1 868 236,67	0,27
BFCM BANQUE FEDERATIVE CREDIT MUTUEL EIS10R+0.1% PERP	EUR	5 300 000	4 148 075,18	0,60
BNP PAR 2.5% 31 -03-32 EMTN	EUR	1 600 000	1 396 597,15	0,20
BPCE 4.625% 18/07/2023	EUR	5 000 000	5 093 067,81	0,74
BQ POSTALE 3.875% PERP	EUR	2 000 000	1 589 841,90	0,24
CA 4.0% PERP	EUR	5 000 000	4 022 618,96	0,58
CASINO GUICHARD PERRACHON 4.561% 25-01-23	EUR	700 000	695 446,26	0,10
CHROME HOLDCO SAS 5.0% 31-05-29	EUR	300 000	233 885,17	0,04

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR (continued)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
CREDIT AGRICOLE SA 4.10% 04/24	EUR	2 500 000	2 567 416,58	0,37
EDF 2.625% PERP	EUR	1 600 000	1 143 607,56	0,17
EDF 4.0% PERP	EUR	7 800 000	7 078 773,00	1,02
ELIOR GROUP SCA 3.75% 15-07-26	EUR	800 000	622 907,33	0,09
ELIS EX HOLDELIS 1.875% 15-02-23	EUR	6 000 000	6 023 438,63	0,87
ELIS EX HOLDELIS 4.125% 24-05-27	EUR	1 200 000	1 128 210,99	0,17
FAURECIA 2.625% 15-06-25	EUR	3 000 000	2 656 073,75	0,39
FRTR 0 1/4 07/25/24	EUR	30 000 000	36 736 236,48	5,32
ILIAD HOLDING HOLD 5.125% 15-10-26	EUR	1 117 000	1 039 462,36	0,15
LA FINANCIERE ATALIAN 4.0% 15-05-24	EUR	4 200 000	4 070 931,67	0,59
ORAN 5.0% PERP EMTN	EUR	3 000 000	2 972 162,88	0,43
ORANO 2.75% 08-03-28 EMTN	EUR	3 000 000	2 658 110,75	0,39
ORANO SA 3.125% 20-03-23 EMTN	EUR	5 000 000	5 077 485,27	0,74
ORANO SA 4.875% 23-09-24 EMTN	EUR	1 000 000	1 014 524,18	0,15
PAPREC 4.0% 31/03/2025	EUR	3 000 000	2 700 260,00	0,39
PARTS EUROPE 6.5% 16-07-25	EUR	1 250 000	1 265 842,36	0,18
RENAULT 2.375% 25-05-26 EMTN	EUR	2 000 000	1 693 438,08	0,24
RENAULT CREDIT INTERNATIONAL BANQUE SA 2.625% 18-02-30	EUR	500 000	435 763,63	0,06
SFR GROUP 5.875% 01-02-27	EUR	800 000	701 833,00	0,10
SG 1.375% 23-02-28 EMTN	EUR	3 000 000	2 965 532,05	0,43
SPIE 3.125% 22/03/2024	EUR	3 500 000	3 494 385,38	0,50
TEREOS 4.125% 16/06/2023	EUR	1 300 000	1 302 530,46	0,19
TEREOS FINANCE GROUPE 17.5% 30-10-25	EUR	4 900 000	5 046 771,33	0,73
UNIBAIL RODAMCO SE 2.125% PERP	EUR	3 500 000	3 145 790,89	0,45
UNIBAIL RODAMCO SE 2.875% PERP	EUR	3 000 000	2 385 975,82	0,35
VALLOUREC 8.5% 30-06-26	EUR	5 000 000	4 888 463,89	0,70
<b>TOTAL FRANCE</b>			<b>144 063 507,06</b>	<b>20,85</b>
<b>GREECE</b>				
ALPHA BANK 4.25% 13-02-30 EMTN	EUR	3 800 000	3 244 934,52	0,47
ALPHA BANK 5.5% 11-06-31	EUR	3 500 000	2 939 715,68	0,43
ALPHA BANK AE 3.0% 14-02-24	EUR	6 000 000	6 007 760,96	0,87
EFG EUROBANK 2.0% 05-05-27	EUR	2 500 000	2 107 484,42	0,30
NATL BANK OF GREECE 8.25% 18-07-29	EUR	5 000 000	5 058 725,68	0,73
PIRAEUS BANK 3.875% 03-11-27	EUR	3 050 000	2 600 597,96	0,37
PIRAEUS FINANCIAL 5.5% 19-02-30	EUR	2 100 000	1 815 178,01	0,26
PIRAEUS FINANCIAL 8.75% PERP	EUR	7 200 000	4 994 012,26	0,73
PIRAEUS FINANCIAL 9.75% 26-06-29	EUR	6 000 000	6 029 173,97	0,88
<b>TOTAL GREECE</b>			<b>34 797 583,46</b>	<b>5,04</b>
<b>HUNGARY</b>				
OTP BANK 5.5% 13-07-25 EMTN	EUR	3 500 000	3 522 056,47	0,51
<b>TOTAL HUNGARY</b>			<b>3 522 056,47</b>	<b>0,51</b>
<b>CAYMAN ISLANDS</b>				
CHINA MILK 0% 05/01/12 CV *USD	USD	1 000 000		
<b>TOTAL CAYMAN ISLANDS</b>				
<b>IRELAND</b>				
ABBOTT IRELAND FINANCING DAC 0.875% 27-09-23	EUR	3 000 000	2 952 338,42	0,43
AIB GROUP 5.25% PERP	EUR	3 000 000	2 680 013,36	0,39
AIB GROUP 6.25% PERP	EUR	5 000 000	4 617 168,99	0,66

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR (continued)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
BANK OF CYPRUS 6.625% 23-10-3 1	EUR	4 200 000	3 844 160,75	0,56
BK IRELAND GROUP 1.875% 05-06-26	EUR	3 200 000	2 978 386,41	0,43
<b>TOTAL IRELAND</b>			<b>17 072 067,93</b>	<b>2,47</b>
<b>ITALY</b>				
ASSICURAZIONI GENERALI 7.75% 12/42	EUR	1 800 000	1 922 056,77	0,28
ATLANTIA EX AUTOSTRAD E 1.875% 12-02-28	EUR	3 000 000	2 303 236,64	0,34
AUTO PER 1.875% 04-11-25 EMTN	EUR	2 500 000	2 305 131,34	0,33
AUTO PER L IT 1.625% 12-06-23	EUR	7 000 000	6 994 017,40	1,01
AUTOSTRAD E PER L ITALILIA 1.625% 25-01-28	EUR	5 500 000	4 427 000,48	0,64
AUTOSTRAD E PER L ITALILIA 1.75% 01-02-27	EUR	1 500 000	1 278 617,36	0,18
BANCA IFIS 4.5% 17-10-27 EMTN	EUR	4 000 000	3 935 589,04	0,57
BANCA POPOLARE DELL EMILIA ROMAGNA 3.875% 25-07-32	EUR	500 000	406 143,84	0,06
BANCA POPOLARE DELL EMILIA ROMAGNA 4.625% 22-01-25	EUR	10 000 000	10 034 095,21	1,45
BANCA POPOLARE DELL EMILIA ROMAGNA 8.625% 20-01-33	EUR	5 800 000	5 785 721,67	0,83
BANCA POPOLARE DI SONDRIO SCPA 3.875% 25-02-32	EUR	1 950 000	1 628 225,29	0,24
BANCO BPM 2.875% 29-06-31 EMTN	EUR	3 200 000	2 609 921,32	0,38
BANCO BPM 4.25% 01-10-29	EUR	3 500 000	3 261 857,60	0,48
BANCO BPM 6.125% PERP	EUR	1 000 000	824 658,02	0,12
BANCO BPM 8.75% PERP EMTN	EUR	1 000 000	939 039,67	0,14
BFF BANK 5.875% PERP	EUR	3 000 000	2 702 258,40	0,40
DIOCLE SPA E3R+3.875% 30-06-26	EUR	1 000 000	683 119,35	0,09
ENI 0.375% 14-06-28 EMTN	EUR	3 000 000	2 469 197,05	0,36
ENI 3.375% PERP	EUR	1 500 000	1 188 019,21	0,17
FONDIARIA SAI 5.75% 31-12-99	EUR	1 500 000	1 446 095,55	0,20
GAMMA BID 5.125% 15-07-25	EUR	625 000	571 063,45	0,08
INTE 3.75% PERP	EUR	4 000 000	3 074 569,13	0,45
INTE 4.125% PERP	EUR	5 000 000	3 246 297,55	0,47
INTE 5.875% PERP	EUR	3 000 000	2 157 001,99	0,32
INTESA SANPAOLO SPA 6.625% 13/09/2023	EUR	2 500 000	2 567 054,11	0,37
LEATHER 2 E3R+4.5% 30-09-28	EUR	1 200 000	855 502,67	0,12
MEDIOBANCABCA CREDITO FINANZ 2.3% 23-11 -30	EUR	450 000	391 348,94	0,06
REKEEP 7.25% 01/02/2026	EUR	600 000	536 869,50	0,08
TITIM 2 1/2 07/19/23	EUR	5 000 000	4 953 244,86	0,71
UNICREDIT SPA 6.625% PERP	EUR	2 000 000	1 919 758,69	0,28
<b>TOTAL ITALY</b>			<b>77 416 712,10</b>	<b>1 1,21</b>
<b>JERSEY</b>				
ADIE GLOB HOL 3.5% 15-08-24	EUR	4 000 000	3 728 141,74	0,54
<b>TOTAL JERSEY</b>			<b>3 728 141,74</b>	<b>0,54</b>
<b>LUXEMBOURG</b>				
ALTICE FINANCING 2.25% 15-01-25	EUR	2 000 000	1 773 425,00	0,26
ALTICE FRANCE 8.0% 15-05-27	EUR	450 000	356 134,00	0,05
ARCELLOR MITTAL 4.875% 26-09-26	EUR	7 000 000	6 918 718,33	1,00
CIRSA FINANCE INTL SARL 4.5% 15-03-27	EUR	1 000 000	805 500,00	0,12
CIRSA FINANCE INTL SARL 6.25% 20-12-23	EUR	1 000 000	846 733,75	0,12
EUROFINS SCIENTIFIC 2.125% 25-07-24	EUR	4 000 000	3 915 954,25	0,57
GOLDEN GOOSE E3R+4.875% 14-05-27	EUR	3 800 000	3 339 085,33	0,48
MONITCHEM HOLDCO 3 5.25% 15-03-25	EUR	3 000 000	2 739 152,50	0,40

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR (continued)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
PICARD BOND 5.375% 01-07-27	EUR	875 000	676 400,64	0,10
PLT VII FINANCE SA RL 4.625% 05-01 -26	EUR	1 000 000	909 624,31	0,13
ROSSINI SARL 6.75% 30-10-25	EUR	250 000	250 310,00	0,03
<b>TOTAL LUXEMBOURG</b>			<b>22 531 038,11</b>	<b>3,26</b>
<b>MEXICO</b>				
PETROLEOS MEXICANOS 2.5% 24-11-22	EUR	3 500 000	3 566 436,47	0,51
<b>TOTAL MEXICO</b>			<b>3 566 436,47</b>	<b>0,51</b>
<b>PANAMA</b>				
CARN CORP 1.875% 07-11-22	EUR	6 300 000	6 376 976,08	0,92
CARNIVAL CORPORATION 10.125% 01 -02-26	EUR	1 000 000	1 008 478,75	0,15
<b>TOTAL PANAMA</b>			<b>7 385 454,83</b>	<b>1,07</b>
<b>NETHERLANDS</b>				
ATHORA NETHERLANDS NV 2.25% 15-07-3 1	EUR	1 000 000	811 108,15	0,12
DUFY ONE B.V 2.5% 31-12-24	EUR	3 000 000	2 800 608,33	0,41
ING GROEP NV 2.125% 23-05-26	EUR	3 000 000	2 878 099,11	0,41
IPD 3 BV 5.5% 01-12-25	EUR	1 000 000	924 481,67	0,13
LEASEPLAN CORPORATION NV 7.375% PERP	EUR	5 000 000	4 623 210,87	0,67
NNGRNV 4.625% 04/08/2044	EUR	3 000 000	2 982 679,52	0,43
NN GROUP N.V. 4.5% 3 1/12/2099	EUR	4 400 000	4 151 185,73	0,60
REPSOL INTL FINANCE BV 4.247% PERP	EUR	750 000	647 072,09	0,09
TELEFONICA EUROPE BV 2.875% PERP	EUR	2 500 000	1 989 544,18	0,28
TELEFONICA EUROPE BV 2.88% PERP	EUR	2 500 000	1 985 314,73	0,29
TELEFONICA EUROPE BV 4.375% PERP	EUR	3 000 000	2 918 601,16	0,42
TEVA PHAR FIN 1.25% 31 -03-23	EUR	2 000 000	1 985 258,22	0,29
TEVA PHARMACEUTICAL FINANCE II BV 6.0% 31-01 -25	EUR	1 500 000	1 486 330,00	0,22
VOLKSWAGEN INTL FINANCE NV 3.375% PERP	EUR	2 000 000	1 901 948,22	0,28
ZF EUROPE FINANCE BV 1.25% 23-10-23	EUR	5 000 000	4 904 421,58	0,71
<b>TOTAL NETHERLANDS</b>			<b>36 989 863,56</b>	<b>5,35</b>
<b>PORTUGAL</b>				
BCP 3.871% 27-03-30 EMTN	EUR	3 500 000	2 895 100,13	0,42
BCP 4.0% 17-05-32	EUR	5 300 000	4 078 177,57	0,59
BCP 4.5% 07-12-27 EMTN	EUR	6 000 000	5 533 767,53	0,80
BCP 9.25% PERP	EUR	5 000 000	4 350 741,58	0,63
BES FINANCE LTD EURIBOR 3 MOIS REV +2.65 31/12/2099 DEFAULT	EUR	2 000 000	4 204,50	
CAIXA GEN 5.75% 28-06-28 EMTN	EUR	3 000 000	3 025 645,07	0,44
FIDELIDADE COMPANHIA DE SEGUROS 4.25% 04-09-31	EUR	1 400 000	1 157 356,41	0,17
NOVO BAN 8.5% 06-07-28	EUR	6 000 000	5 596 343,42	0,81
<b>TOTAL PORTUGAL</b>			<b>26 641 336,21</b>	<b>3,86</b>
<b>UNITED KINGDOM</b>				
BARCLAYS PLC 2.0% 07-02-28	EUR	3 000 000	2 993 687,67	0,44
CYBG PLC 8.0% PERP	GBP	2 000 000	2 276 965,25	0,33
FCE 1.615% 11-05-23 EMTN	EUR	2 000 000	1 986 920,00	0,29
INEOS FINANCE 3.375% 31-03-26	EUR	1 844 000	1 605 631,83	0,23
YULE CATTO AND 3.875% 01 -07-25	EUR	250 000	207 991,35	0,03
<b>TOTAL UNITED KINGDOM</b>			<b>9 071 196,10</b>	<b>1,32</b>

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR (continued)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>SWEDEN</b>				
ASSEMBLIN FINANCING E3R+5.0% 15-05-25	EUR	500 000	470 548,33	0,07
CASTELLUM AB 3.125% PERP	EUR	1 700 000	1 014 182,86	0,15
DOMETIC GROUP AB 3.0% 13-09-23	EUR	3 000 000	2 900 238,08	0,42
VOLVO CAR AB 2.125% 02-04-24	EUR	3 000 000	2 900 611,64	0,42
<b>TOTAL SWEDEN</b>			<b>7 285 580,91</b>	<b>1,06</b>
<b>TOTAL Bonds and similar securities traded on a regulated or similar market</b>			<b>604 421 232,85</b>	<b>87,50</b>
<b>TOTAL Bonds and similar securities</b>			<b>604 421 232,85</b>	<b>87,50</b>
<b>Undertakings for collective investment</b>				
<b>General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>				
<b>FRANCE</b>				
LAZARD EURO CORP HIGH YIELD PC EUR	EUR	8 190	13 542 328,80	1,96
LAZARD EURO SHORT DURATION HIGH YIELD SRI PART EVC	EUR	6 500	6 869 330,00	0,99
LAZARD GLOBAL GREEN BOND OPPORTUNITIES EC EUR	EUR	7 000	7 000 000,00	1,02
LAZ GL HYBR BD EV EUR	EUR	25	2 288 101,00	0,33
<b>TOTAL FRANCE</b>			<b>29 699 759,80</b>	<b>4,30</b>
<b>TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>			<b>29 699 759,80</b>	<b>4,30</b>
<b>TOTAL Undertakings for collective investment</b>			<b>29 699 759,80</b>	<b>4,30</b>
<b>Forward financial instruments</b>				
<b>Futures contracts</b>				
<b>Futures contracts on a regulated or equivalent market</b>				
EC EURUSD 1222	USD	150	-445 318,48	-0,06
EURO BOBL 1222	EUR	-1 000	-884 430,00	-0,13
EURO SCHATZ 1222	EUR	-16 000	-7 067 895,00	-1,02
RP EURGBP 1222	GBP	20	26 920,01	
<b>TOTAL Futures contracts on a regulated or equivalent market</b>			<b>-8 370 723,47</b>	<b>-1,21</b>
<b>TOTAL Futures contracts</b>			<b>-8 370 723,47</b>	<b>-1,21</b>
<b>Other forward financial instruments</b>				
<b>Credit Default Swap</b>				
ITRAXX EUR XOVER S38	EUR	-195 000 000	10 049 619,67	1,45
ITRAXX EUR XOVER S38	EUR	-100 000 000	5 153 651,11	0,75
<b>TOTAL Credit Default Swap</b>			<b>15 203 270,78</b>	<b>2,20</b>
<b>TOTAL Other forward financial instruments</b>			<b>15 203 270,78</b>	<b>2,20</b>
<b>TOTAL Forward financial instruments</b>			<b>6 832 547,31</b>	<b>0,99</b>
<b>Margin call</b>				
CACEIS MARGIN CALL	USD	411 882,86	420 438,79	0,06
CACEIS MARGIN CALL	EUR	7 952 325	7 952 325,00	1,15
CACEIS MARGIN CALL	GBP	-25 749,97	-29 341,35	-0,01
<b>TOTAL Margin call</b>			<b>8 343 422,44</b>	<b>1,20</b>
<b>Receivables</b>			<b>40 957 094,59</b>	<b>5,93</b>
<b>Liabilities</b>			<b>-24 006 009,19</b>	<b>-3,47</b>
<b>Financial accounts</b>			<b>24 540 218,34</b>	<b>3,55</b>
<b>Net assets</b>			<b>690 788 266,14</b>	<b>100,00</b>

LAZARD CREDIT OPPORTUNITIES PD EUR shares	EUR	26 452,393	971,24
LAZARD CREDIT OPPORTUNITIES PC EUR shares	EUR	245 588,975	1 427,56
LAZARD CREDIT OPPORTUNITIES PVC EUR shares	EUR	146 764,717	1 191,61
LAZARD CREDIT OPPORTUNITIES PVC H-CHF shares	CHF	188,273	1 037,01
LAZARD CREDIT OPPORTUNITIES RC EUR shares	EUR	161 067,953	654,89
LAZARD CREDIT OPPORTUNITIES TC EUR shares	EUR	934,260	13 743,26
LAZARD CREDIT OPPORTUNITIES FC EUR shares	EUR	20 000,000	1 052,86
LAZARD CREDIT OPPORTUNITIES RD H-USD shares	USD	1,000	510,93
LAZARD CREDIT OPPORTUNITIES RC H-USD shares	USD	61,000	510,01
LAZARD CREDIT OPPORTUNITIES PC USD shares	USD	1,000	988,45
LAZARD CREDIT OPPORTUNITIES PC H-USD shares	USD	1,000	1 022,49

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

Breakdown of interest: LAZARD CREDIT OPPORTUNITIES PD EUR shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	650 199,82	EUR	24,58	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax	264,52	EUR	0,01	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	650 464,34	EUR	24,59	EUR

Breakdown of interest: LAZARD CREDIT OPPORTUNITIES RD H-USD shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	3,18	EUR	3,18	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	0,11	EUR	0,11	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	3,29	EUR	3,29	EUR

## TEXT OF RESOLUTIONS

### LAZARD FUNDS

French open-end investment company (Société d'Investissement à Capital Variable)  
Registered office: 10, avenue Percier - 75008 Paris  
Paris Trade and Companies Register no. 484 947 627

### RESOLUTION CONCERNING THE ALLOCATION OF DISTRIBUTABLE INCOME PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING OF DECEMBER 19TH, 2022

#### FINANCIAL YEAR ENDED September 30<sup>th</sup>, 2022

#### Second resolution

The Shareholders' Meeting approves the distributable income for the financial year for the LAZARD CREDIT OPPORTUNITIES sub-fund which amounts to:

<b>€15 935 918,52</b>	distributable amount pertaining to net income,
<b>€84 708 833,42</b>	distributable amount pertaining to net capital gains and losses

and decides that they shall be allocated as follows:

#### 1) Distributable amount pertaining to net income

- FC EUR shares:	Accumulation	329 977,47 €
- PC EUR shares:	Accumulation	8 805 258,71 €
- PC H-USD shares:	Accumulation	6,65 €
- PC USD shares:	Accumulation	6,65 €
- PD EUR shares:	Distribution	650 464,34 €
-	Retained	77,29 €
- PVC EUR shares:	Accumulation	3 880 358,93 €
- PVC H-CHF shares	Accumulation	4 604,13 €
- RC EUR shares:	Accumulation	1 942 559,74 €
- RC H-USD shares:	Accumulation	126,09 €
- RD-H USD shares	Distribution	3,29 €
- TC EUR shares:	Accumulation	322 475,33 €

a) Each shareholder holding PD EUR shares on the detachment date will receive a dividend per share of **€24,59** which will be detached on December 20th, 2022 and be paid on December 22nd, 2022.

b) **Each shareholder holding RD-H USD shares on the detachment date will receive a dividend of €3,29 which will be detached on December 20th, 2022 and be paid on December 22nd, 2022.**

## 2) Distributable amount pertaining to net capital gains and losses

- FC EUR shares:	Accumulation	1 703 573,34 €
- PC EUR shares:	Accumulation	43 422 892,31 €
- PC H-USD shares:	Accumulation	26,18 €
- PC USD shares:	Accumulation	23,44 €
- PD EUR shares:	Retained	3 209 067,58 €
- PVC EUR shares:	Accumulation	21 628 255,63 €
- PVC H-CHF shares	Accumulation	46 855,49 €
- RC EUR shares:	Accumulation	13 107 051,98 €
- RC H-USD shares:	Accumulation	796,70 €
- RD-H USD shares	Retained	13,10 €
- TC EUR shares:	Accumulation	1 590 277,67 €

### *Amounts distributed in previous years*

### *Unit amount / share*

- 2021	€23,62 share class PD EUR
- 2020	€22,37 share class PD
- 2019	€20,63 share class G
- 2018	€27,58 share class G

**Sub-fund:  
LAZARD EURO SHORT DURATION HIGH  
YIELD SRI**

## 8. CHARACTERISTICS OF THE UCI

### LEGAL FORM

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

### 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 Sub-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.

RC EUR, RVC EUR, PVC EUR, EVC EUR shares: Distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law.

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

### INVESTMENT OBJECTIVE

RC EUR, RVC EUR, PD EUR, PVC EUR, EVC EUR shares

The investment objective is to achieve, through Socially Responsible Investment (SRI) management, a performance net of management fees that exceeds that of the following composite benchmark over the recommended investment period of 3 years: 30% ICE BofAML 1-3 Year Corporate; 70% ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index (H1EC) The benchmark index is rebalanced every month and its components are expressed in euros, with dividends or net coupons reinvested.

### BENCHMARK

RC EUR, RVC EUR, PD EUR, PVC EUR, EVC EUR shares

ICE BofAML 1 -3 Year Corporate

The ICE BofAML 1-3 year Corporate index in euros is published by ICE and consists of investment grade-rated bonds with a maturity of between one and three years, denominated in euro and issued by financial and non-financial companies.

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

Bloomberg code: EROI

RC EUR, RVC EUR, PD EUR, PVC EUR, EVC EUR shares

ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index (H1EC)

The ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index (H1EC) tracks the performance of euro-denominated corporate and financial institution bonds with short maturities. Eligible securities must be rated from BB1 to CCC3 (based on an average of the Moody's, S&P and Fitch rating), have a final maturity of at least 18 months at the time of issue, have a residual maturity of at least one year but less than three years at the final maturity at the rebalancing date, a fixed coupon schedule and a minimum outstanding amount of €250 million. In addition, eligible securities must have risk exposure to FX-G10 member countries, Western countries, and developing countries.

As at the date of this prospectus, the benchmark index administrator, ICE Benchmark Administration Limited, is listed on ESMA's register of administrators and benchmark indices.

Additional information on the benchmark index can be found on the administrator's website at <https://www.theice.com/iba>. The management company will ensure that this link is still valid in future updates of the UCI's prospectus.

## INVESTMENT STRATEGY

### 1. Strategies used by the Lazard Euro Short Duration High Yield SRI sub-fund

The investment strategy is based on a top-down and bottom-up approach in order to take into account the macroeconomic scenario and the management company's credit analysis of the issuers.

The management process for the high yield asset class is a quarterly one that involves our four-step Macro (M), Valuation (V), Sentiment (S) and Technical (T) analysis model.

The management company therefore analyses the issuers' fundamentals, the valuation of the asset class, the sentiment, i.e. the positioning of investors in this asset class, and the technical factors, which are a balance between supply (primary market) and demand (flows).

Bottom-up selection is based on a credit analysis of the issuer by looking at its business profile (regulatory framework, competitive pressure, strategy, positioning, management track record and the financial strength of the company or financial institution).

Once an issuer has been approved, the management company decides on the choice of bond, with a maximum maturity of five years (maturity or call date), and a set of legal clauses by analysing two factors, the characteristics of the security (covenants, seniority and recovery rate) and its market valuation.

Investments are mainly in securities issued by governments, companies and financial institutions rated speculative/High Yield by the rating agencies or an equivalent rating based on the management company's analysis. A maximum of 40% of the net assets may be invested in securities rated investment grade or the equivalent according to the management company's analysis. The manager may invest in unrated securities up to a maximum of 10% of the net assets.

Interest rate risk will be managed independently within a sensitivity range of 0 to 3.

To build the portfolio, the manager conducts their own analysis of euro-denominated bonds and negotiable debt securities, of any subordination rank, at fixed, variable or indexed rates, issued by companies, financial institutions and States. The portfolio's average duration will be around 2.

The manager conducts their own credit assessment for selection purposes, both at the time of purchase and during the life of the securities. They do not rely solely on ratings issued by rating agencies and develop credit risk analysis and the necessary procedures to make purchase decisions or sell or hold decisions in the event of a downgrade. The fund manager does not automatically use agency ratings but gives precedence to his own analysis to assess the credit quality of said assets and decide on possible downgrades.

Information on the Sub-fund's sensitivity range is shown in the table below:

Interest rate risk (including derivatives)		Investment		Exposure	
		Minimum	Maximum	Minimum	Maximum
Interest rate risk sensitivity range		0	3	0	3
Credit risk		Investment		Exposure	
		Minimum	Maximum	Minimum	Maximum
Geographical area of the Issuer	Europe zone	0%	100%	0%	100%
	Other regions	0%	100%	0%	100%

The Sub-fund may invest in bonds denominated in currencies other than the euro.

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.

Exchange rate risk will be hedged so that exposure thereto shall not exceed 10% of the assets.

The UCI will be exposed to emerging countries up to a maximum of 10% of the net assets.

The Sub-fund may use, up to 100% of the net assets, interest rate and currency futures, credit derivatives, interest rate and currency options, interest rate and currency swaps and currency forward contracts traded on regulated, organised and/or OTC markets to hedge and/or expose the Sub-fund to interest rate, currency, credit and volatility risk.

### **SRI management**

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

The Sub-Fund 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 principal adverse impacts on sustainability factors is published in the Sub-Fund's periodic SFDR reports, 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 rating 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 50% of the portfolio the proportion of issuers with a rating of three or less for High Yield funds,
- 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:

- Carbon intensity of the portfolio, expressed in tonnes of CO2 equivalent per €m of revenue.

Social criterion:

- Risk management score relating to controversies on human resources management, provided by our ESG non-financial rating partner.

Human rights criterion:

- % of companies that are signatories to the United Nations Global Compact.

Governance criterion:

- average % of independent directors.

As part of SRI management, the analyst-managers ensure that an external ESG rating is maintained that is higher than that of a composite index made up of 30% of the ICE ER01 and 70% of the ICE H1EC after eliminating the 20% worst securities.

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

The external ESG ratings of the Sub-fund and the index correspond to the weighted average of the absolute E, S and G ratings provided by our ESG 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: 1 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 score.

The methodology used to calculate ESG ratings can be found in the Transparency Code published on the management company's website.

## 2. Non-derivative assets of the Lazard Euro Short Duration High Yield SRI sub-fund

The Sub-fund's portfolio comprises:

### Equities

- a) A maximum of 5% of the net assets in preference shares.
- b) A maximum of 5% of the net assets in ordinary shares.

The Sub-fund will not invest actively in equities but may hold equities if they derive from a debt restructuring, typically following an exchange of shares for debt. The fund manager will do their best to sell the shares received as soon as possible depending on market conditions with a view to optimising the exit price for the shareholders.

The total exposure to equity risk may not exceed 10% of the net assets.

### Debt securities and money market instruments:

- a) Bonds and debt securities denominated in euros and/or any other currency, rated speculative or high yield or the equivalent based on the management company's analysis, up to 100% of the net assets.
- b) A maximum of 40% of the net assets in bonds and debt securities denominated in euros and/or any other currency, rated investment grade or the equivalent based on the management company's analysis.
- c) A maximum of 50% of the net assets in perpetual subordinated debt, including a maximum of 30% of the net assets in contingent convertible bonds (CoCos).
- d) Unrated bonds up to a maximum of 10% of the net assets.
- e) Convertible bonds up to a maximum of 10% of the net assets.

### UCIs

French or foreign UCITS or AIFs that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (*Code Monétaire et Financier*), standard money-market and short-term money-market funds with variable net asset values, and bond funds up to a maximum of 10% of the net assets.

These UCIs may be managed by the management company.

## 3. Derivative assets of the Lazard Euro Short Duration High Yield SRI sub-fund

- Types of markets:

- regulated
- organised
- OTC

- The manager intends to seek exposure to:

- equities
- interest rates
- foreign exchange
- credit
- other risks: volatility

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

- hedging
- exposure
- arbitrage
- other

- Types of instruments used:

#### futures:

- equity and equity indices
- interest rate: interest rate risk
- currency
- other

#### options:

- equity and equity index
- interest rate: interest rate and interest rate volatility risk
- currency
- other

- swaps:**
  - equity swaps
  - interest rate swaps: transformation of fixed-rate income to variable-rate income and vice versa
  - currency swaps
  - performance swaps
- currency forwards**
- credit derivatives, with the exception of CDS on single or tranche products**
- other type**

- Derivatives strategy to achieve the investment objective:

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

#### **4. Embedded derivatives of the Lazard Euro Short Duration High Yield SRI sub-fund**

The fund manager may invest in any securities with embedded derivatives permitted under the management company's business plan, whose issuer is not the same as the issuer of the underlying security, insofar as the performance of these securities is index-linked to changes in interest rate or credit spread risk.

Within this framework, the manager may take positions with a view to hedging the portfolio against and/or exposing it to particular business sectors, geographic regions, shares (all capitalisation types), stocks and similar securities in order to achieve the investment objective.

Total investments in securities with embedded derivatives may not exceed 100% of the net assets. Investments in contingent convertible bonds may not exceed 30% of the net assets.

#### **5. Deposits of the Lazard Euro Short Duration High Yield SRI sub-fund**

Up to 10% of the Sub-fund's assets may be held in deposits.

#### **6. Cash Borrowing of the Lazard Euro Short Duration High Yield SRI sub-fund**

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

#### **7. Temporary purchases and sales of securities of the Lazard Euro Short Duration High Yield SRI sub-fund**

None.

#### **8. Information on the financial guarantees of the Lazard Euro Short Duration High Yield SRI sub-fund**

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

### **RISK PROFILE OF THE LAZARD EURO SHORT DURATION HIGH YIELD SRI SUB-FUND**

#### **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 Sub-fund provides no capital guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption.

■ **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 Sub-fund's exposure to issuers either through direct investment or via other UCIs may give rise to a decline in the net asset value. If the Sub-fund is exposed to unrated or speculative/High Yield debt, the credit risk is high and may lead to a decline in the Sub-fund's net asset value.

■ **Derivative financial instrument risk**

The risk arising from the Sub-fund'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 sub-fund has invested.

■ **Counterparty risk:**

This is a risk linked to the use of forward financial instruments traded over the counter. These transactions, entered into with one or more counterparties, potentially expose the Sub-fund to a risk of failure of any such counterparty, which may lead to default in payment and cause the Sub-fund's NAV to fall.

■ **Risks linked to hybrid or subordinated securities:**

The sub-fund may be exposed to hybrid or subordinated securities. Hybrid and subordinated debt are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. For non-financial bonds, since hybrid debt securities are "deeply subordinated", there is a low recovery rate in the event of issuer default.

■ **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 Sub-fund liquidates, initiates or modifies positions and thus cause a decline in the Sub-fund'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.

■ **Risk related to overexposure**

The Sub-fund may use forward financial instruments (derivatives) to generate overexposure and thus bring the Sub-fund's exposure above its net asset value.

Depending on the direction of the transactions, the impact of a decrease (purchase of exposure) or increase (sale of exposure) in the derivative's underlying instrument may be amplified and thus amplify any decrease in the Sub-fund's net asset value.

Because of the hedging strategy applied, shareholders may not benefit from potential upside on certain markets.

■ **Foreign exchange risk (ancillary):**

The Sub-fund may invest in securities and UCIs that are themselves permitted to purchase stocks denominated in currencies other than the euro. The value of the assets of such UCIs may fall if exchange rates fluctuate, which may lead to a fall in the Sub-fund's NAV.

#### ■ 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 OF THE LAZARD EURO SHORT DURATION HIGH YIELD SRI SUB-FUND**

None.

#### **ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE OF THE LAZARD EURO SHORT DURATION HIGH YIELD SRI SUB-FUND**

This sub-fund is aimed at all investors who are aware of the risks associated with investing in the international credit markets.

The Sub-fund may be used with life insurance and savings policies.

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

#### **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 Sub-fund is not registered as an investment vehicle in the United States and its shares 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 Sub-fund 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 sub-fund 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 Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

## 9. CHANGES AFFECTING THE UCI

The following decisions were made in relation to the SICAV **LAZARD FUNDS (SICAV with sub-funds)** (ISIN code: FR0013506995):

- Modification of methods for calculating the performance fee:

➤ **Effective date: 25/10/2021.**

The Board of Directors of the SICAV **LAZARD FUNDS (SICAV with sub-funds)** (ISIN code: FR0013506995), which met on November 18th, 2021, made the following decisions:

- Amend the wording relating to the performance fee, pursuant to an AMF position recommendation;
- Clarify the wording of the investment strategy of the two sub-funds of the umbrella fund to indicate that, by derogation from the 5%-10%-40% ratios, the management team may invest more than 35% of the Sub-fund's net assets in securities guaranteed by a member state of the EEA or the United States.

➤ **Effective date: 21/01/2022.**

The following decisions were made in relation to the SICAV **LAZARD FUNDS (SICAV with sub-funds)** (ISIN code: FR0013506995):

- Insertion of information on Russian and Belarusian investors;
- Regulations / Articles of Association: Deletion of the optional mention of a cap on redemptions ("Gates");
- Subscription and redemption orders are accepted in units and/or in amounts (as the case may be).

➤ **Effective date: 16/06/2022.**

The following decisions were made in relation to the SICAV **LAZARD FUNDS (SICAV with sub-funds)** (ISIN code: FR0013506995):

- Insertion of "benchmark information" in the KIID;
- Addition of ESG investment risk and methodological limitations
- Editorial change to the SRI management policy.

➤ **Effective date: 16/08/2022.**

The following decisions were made in relation to the SICAV **LAZARD FUNDS (SICAV with sub-funds)** (ISIN code: FR0013506995): the creation of a third sub-fund, LAZARD HUMAN CAPITAL (ISIN code: FR0014009F48).

➤ **Effective date: 31/08/2022.**

## Corporate governance (CSR) section

### VI. List of appointments

Directors' names	Number of offices held	List of offices and functions
Eleonore Bunel <i>Managing Director of Lazard Frères Gestion SAS</i>	1	- Chairman and Chief Executive Officer of the SICAV Lazard Funds ( <i>SICAV with sub-funds</i> )
François-Marc Durand <i>Chairman of Lazard Frères Gestion SAS</i>	4	- Chairman and Chief Executive Officer of the Norden SRI SICAV - Board member of the SICAVs: . Lazard Small Caps Euro SRI . Lazard Funds ( <i>SICAV with sub-funds</i> ) . Lazard Alpha Allocation
Jean-Jacques de Gournay <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Chairman and Chief Executive Officer of the Norden Family SICAV - Board member of the SICAVs: . Lazard Funds ( <i>SICAV with sub-funds</i> ) . Lazard Small Caps Euro SRI . Lazard Equity SRI . Lazard Convertible Global
Monica Nescaut <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Member of the Boards of Directors of the SICAVs: . Lazard Small Caps Euro SRI . Lazard Funds ( <i>SICAV with sub-funds</i> ) . Norden SRI . Lazard Equity SRI . Lazard Convertible Global
Paul Castello <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Board member of the SICAVs: . Lazard Euro Short Duration SRI . Lazard Equity SRI . Norden Small . Lazard Funds ( <i>SICAV with sub-funds</i> ) - CEO and board member of the SICAV Lazard Convertible Global

VII. Directors' fees

<b>Members of the Board of Directors</b>	<b>Directors' fees paid by the SICAV</b>
Eléonore Bunel	0
François-Marc Durand	0
Jean-Jacques de Gournay	0
Monica Nescout	0
Lazard Frères Gestion SAS, represented by Alexia Latorre	0
MGEN	€ 1.600
Union Mutualiste Retraite (UMR)	€ 1.600
Paul Castello	0

VIII. Agreements covered by Article L.225-37-4 para.2 of the French Commercial Code (Code de commerce)

The SICAV was not informed of the conclusion of any agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code during the financial year ended September 30th, 2022.

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

No delegation of authority pursuant to Article L. 225-37-4 para.3 of the French Commercial Code was granted or was ongoing during the financial year ended September 30th, 2022.

X. Method of operation of the general management

The Board of Directors opted to combine the functions of Chairman of the Board of Directors and Chief Executive Officer, who is known as Chairman and Chief Executive Officer.

## 10. MANAGEMENT REPORT

### PERFORMANCE

**The UCI's performance over the period was as follows:**

PVC shares: -4,13%,  
EVC shares: -4,04%,  
PD shares: -3,57%,  
RC shares: -3,98%,  
RVC shares: -3,99%.

**The benchmark's performance over the period was:**

The benchmark's\* performance over the period was: -6,80%.  
(\* ) 30% ER01 + 70% H1 EC.

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

### ECONOMIC ENVIRONMENT

The outlook has become more clouded in recent months. The war in Ukraine and its impact on commodities is a major shock in a world where the issue of inflation has taken centre stage. Initially seen as the temporary consequence of an exceptional economic recovery due to the reopening of post-lockdown economies and thanks to significant support measures, inflation is higher than expected and seems to become more permanent. This has led to a clear shift in the stance of central banks, which are making the fight against inflation a priority.

Inflation has risen sharply around the world, on top of the increase in commodity and goods prices affected by supply issues and the pandemic. At the same time, unemployment rates have fallen sharply and labour shortages have emerged, putting upward pressure on wages, particularly in the United States, raising fears of a price-wage loop.

This environment of high inflation has led central banks to tighten their monetary policy. Russia's invasion of Ukraine caused major disruption to the global economy, and particularly to the Eurozone where the reduction in Russian gas flows in the summer of 2022 led to a surge in energy prices, increasing the risk of a recession in the short term.

In the US, GDP was up by +1,8% year-on-year in Q2 2022 and by +3,5% from its Q4 2019 level. 5,7 million jobs were created in the last twelve months, bringing total employment to 153.0 million, compared with 152.5 million before the crisis. The unemployment rate fell from 4,7% to 3,5% and the ratio between job offers and job applications increased from 1,5 to 1,8. Hourly wages increased by +5,8% year-on-year. Year-on-year inflation accelerated from +5,4% to +8,3% and from +4,0% to +6,3% excluding energy and food. In November, the US Congress adopted a \$1,200 billion infrastructure investment plan.

The Fed raised its key interest rate by 300 basis points to a band of 3,00-3,25% in five moves: +25 basis points in March, +50 basis points in May, +75 basis points in June, +75 basis points in July and +75 basis points in September. In November 2021, the Fed announced that it would slow down its asset purchases by \$15 billion a month. This pace was doubled in December. In May, the Fed announced it would begin to reduce its balance sheet from June, at a maximum pace of \$47.5 billion per month and then \$95 billion from September.

In the Eurozone, GDP was up +4,1% year-on-year in Q2 2022 and up +1,8% from its Q4 2019 level. In the four largest economies, GDP grew by +1,7% year-on-year in Germany, +4,2% in France, +5,0% in Italy and +6,8% in Spain. The Eurozone unemployment rate fell from 8,1% to 6,6%. Year-on-year inflation accelerated from +3,4% to +10,0% and from +1,9% to +4,8% excluding energy and food. In the face of the energy shock, European governments stepped up their support measures, for an estimated amount of €280 billion.

In Germany, Olaf Scholz was elected Chancellor on December 8th, 2021. A coalition government consisting of the Social Democratic Party, the Greens and the Liberals was formed. 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. The far-right Brothers of Italy party, led by Giorgia Meloni, achieved the best score with more than a quarter of the votes.

The ECB hiked its interest rates by 125 basis points in two moves: +50 basis points in July and +75 basis points in September. The deposit rate was raised from -0,50% to 0,75%, the refinancing rate from 0% to 1,25% and the marginal lending facility from 0,25% to 1,50%. In December 2021, the ECB announced that it would slow down its asset purchases in the first quarter of 2022 and that the Pandemic Emergency Purchase Programme (PEPP) would end in March 2022. In March, the ECB announced the end of the PEPP programme and a reduction in the amount of purchases under the Asset Purchase Programme (APP), while indicating that the APP could end in the third quarter of 2022. In June 2022, the ECB announced the end of the APP programme and pre-announced a rate hike for July. In July, the ECB approved the creation of a new mechanism (Transmission Protection Mechanism) that could be activated if credit spreads soar, subject to certain conditions.

In China, GDP was up by +0,4% year-on-year in Q2 2022 and by 2,6% quarter-on-quarter, against the backdrop of a continued zero-Covid policy and a slowdown in the property market. The urban unemployment rate rose from 4,9% to 5,3%. Year-on-year inflation rose from +0,7% to +2,5% in headline terms and fell from +1,2% to +0,9% excluding food and energy. The Chinese central bank cut its key interest rate by 10 basis points, bringing the 1-year refinancing rate to 2,75%. The reserve requirement ratio for the largest banks was lowered by 75 basis points to 11,25%. In March, the government announced a GDP growth target of "around 5,5%" in 2022. In April, Xi Jinping called for every effort to be made to strengthen infrastructure construction.

## MANAGEMENT POLICY

**In the first quarter, sovereign yields resumed an upward trend in October.** The energy crisis, the shortage of semiconductors and the slowdown in Chinese growth came on top of growing expectations of a restrictive change in central bank monetary policies. Overall, there was a **major flattening in the 10-30 year segment**, which usually reflects heightened concerns about growth.

**Starting in November, the "Omicron" variant appeared.** Despite the publication of solid European PMIs and the persistence of high inflation, **sovereign yields fell overall with the emergence of a new South African variant**, even though the pandemic had already rebounded sharply in Europe. In this context, **10-year yields fell in France (-24bp), Germany (-26bp) and the United States (-11bp)**. The yield curve flattening, which had previously affected the "10-30 year" segment, clearly affected the "2-10 years" segment. **Risky assets moved negatively, with a significant widening of credit spreads for both corporate and financial issuers.**

In December, **interest rates resumed their upward trend**, supported by the first studies on the less dangerous "Omicron" variant, high inflation figures and growth prospects. There was **tightening of risk premiums for both financial issuers** (across the capital structure) **and corporate issuers.**

Over the quarter, **the fund posted a performance of 0,10% for the PVC share**, mainly impacted by the **rise in interest rates in November** despite the rebound in December. **The credit effect was positive.**

The first quarter of 2022 was marked by a number of important events. First of all, the **upward movement in sovereign yields**, which began in 2021, **continued in the first quarter** in line with central banks' increasingly hawkish stance on inflation. **The continued inflationary pressures**, both in the United States and in Europe, prompted **central banks to speed up the pace of monetary policy tightening**. The Fed started its programme with a first of 25bp rate hike already in mid-March.

**Further hikes followed throughout the year in an attempt to curb rampant inflation.** Against this backdrop, sovereign yields rose across the board: +83bp for the US 10-year and +73bp for the German 10-year.

This environment of **pressure on interest rates and uncertainties related to monetary policy tightening** automatically led to a **widening of credit risk premiums at the beginning of the quarter**. This widening gathered momentum following the deterioration of geopolitical tensions, culminating in **Russia's invasion of Ukraine in late February**. **Persistent inflation, conflict and sanctions** cast a shadow over the global growth outlook, which weighed on credit indices.

Over the quarter, risk premiums widened by +31bp for euro Investment Grade credit and by +78bp for euro corporate High Yield credit.

The interest rate effect contributed negatively to the fund's performance in the first quarter: -45bp. **The credit effect also made a negative contribution to performance (-46bp) as the carry was not sufficient to offset the widening of risk premiums.**

**The upward movement in sovereign yields continued in the second quarter of the year** in line with central banks' increasingly hawkish stance on inflation. The continued inflationary pressures, both in the United States and in Europe, prompted central banks to speed up the pace of monetary policy tightening. After starting its programme with an initial 25bp rate hike in mid-March, **the Fed stepped up the pace with hikes of 50bp in mid-May and 75bp in mid-June** (the largest hike since 1994) **in an attempt to curb inflation, which is at its highest level in over 40 years. Further hikes followed in the second half of the year.** Against this backdrop, **sovereign yields rose across the board: +67bp for the US 10-year and +79bp for the German 10-year.**

This environment of **pressure on interest rates and uncertainties related to monetary policy tightening** and the **worsening of geopolitical tensions** automatically led to a **widening of credit risk premiums over the quarter. At end-June, fears of a possible gas rationing in Europe amplified this trend (+83bp for euro Investment Grade credit and up to +258bp for euro Corporate High Yield credit over the period).**

The interest rate effect contributed negatively to the fund's performance in the second quarter: -53bp. **The credit effect also made a negative contribution to performance of -272bp.** The carry and hedges implemented were not sufficient to offset the widening of risk premiums.

In the third quarter, the start of the summer **proved to be rather constructive** with the traditional earnings season. Overall, **earnings were satisfactory for corporates and financial institutions**, prompting **investors to return to credit**, particularly to the Investment Grade segment. The High Yield segment also benefited from this trend, but to a lesser extent. This continued until the end of August and Jerome Powell's speech. **Investors seemed to be betting on a more dovish stance and a slowdown in the pace or magnitude of central bank rate hikes** in the face of growing fears of a recession.

But at the Jackson Hole symposium in late August, **Jerome Powell stuck to his guns and was adamant: fighting inflation remains the priority** of central bankers.

In early September, in Europe, **Christine Lagarde confirmed this same determination to fight inflation.** After a 50bp hike in July 2022, the ECB decided to raise its rates by a further 75bp, the largest increase in its key rates since its creation.

At the end of the period, US 5- and 10-year sovereign yields stood at respectively 4,09% (+105bp) and 3,83% (+82bp). German sovereign yields ended the month at 1,96% for the 5-year (+90bp) and 2,1% for the 10-year (+78bp).

The interest rate effect contributed negatively to the fund's performance in the third quarter: -49bp. **Our negative modified duration positioning partly offset the negative impact of rising interest rates.**

**The credit effect contributed positively to performance (+102bp).**

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

<b>Securities</b>	<b>Changes ("accounting currency")</b>	
	<b>Purchases</b>	<b>Sales</b>
CASINO 1.865% 13-06-22 EMTN	806 519,34	1 300 000,00
EDF 4.0% PERP	1 560 626,03	527 917,81
BANCO BPM FIX 21-09-27	619 994,52	1 000 000,00
BANKIA SA 6.0% PERP	608 031,29	1 000 000,00
LAZARD EURO SHORT TERM MONEY MARKET "C"	1 513 858,56	
EUROFINS SCIENTIFIC 2.875% PERP	510 255,58	1 000 000,00
BANCO BILBAO VIZCAYA ARGENTARIA SA 5.875% PERP	414 538,81	1 000 000,00
TEREOS FINANCE GROUPE 7.5% 30-10-25	542 570,83	803 480,00
SAIPEM FINANCE INTL BV 2.75% 05-04-22	307 295,34	946 130,14
KS AKTUELL AG 3.0% 20-06-22	615 394,52	600 000,00

## 11. REGULATORY INFORMATION

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

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

- **Exposure through efficient management techniques:**
  - Securities lending:
  - Securities borrowing:
  - Repurchase agreements:
  - Reverse repurchase agreements:
  
- **Underlying exposure through derivative financial instruments: 48 364 450,00**
  - Currency forwards:
  - Futures: 35 364 450,00
  - Options:
  - Swaps: 13 000 000,00

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

Efficient portfolio management techniques	Derivative financial instruments (*)

(\*) Excluding listed derivatives.

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

<b>Instrument types</b>	<b>Amount in the currency of the portfolio</b>
<b>Efficient portfolio management techniques</b> . Term deposits . Equities . Bonds . UCITS . Cash (*) <b>Total</b>	
<b>Derivative financial instruments</b> . Term deposits . Equities . Bonds . UCITS . Cash <b>Total</b>	

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

**d) Operating income and expenses related to efficient management techniques**

<b>Operating income and expenses</b>	<b>Amount in the currency of the portfolio</b>
. Income (*)	
. Other income	
<b>Total income</b>	
. Direct operating expenses	373,70
. Indirect operating expenses	
. Other expenses	
<b>Total expenses</b>	<b>373,70</b>

(\*) Income on securities lending and repurchase agreements

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

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

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

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

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

## **BROKERAGE FEES**

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

## **EXERCISING VOTING RIGHTS**

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

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

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

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

## **SFDR AND TAXONOMY**

### **Article 8 (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 September 30th, 2022, in accordance with the asset management company's rating criteria, the portfolio's overall rating was 58,2276 on a scale of 0 to 100. It was 55,7301 at the start date of the calculation.

Over the measured period, the portfolio's average ESG rating varied between 55,7301 and 58,2276. 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](http://www.lazardfreresgestion.fr))

The Sub-Fund 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 principal adverse impacts on sustainability factors is published in the Sub-Fund's periodic SFDR reports, 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 rating 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 50% of the portfolio the proportion of issuers with a rating of three or less for High Yield funds,
- 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:

- Carbon intensity of the portfolio, expressed in tonnes of CO2 equivalent per €m of revenue

Social criterion:

- Risk management score relating to controversies on human resources management, provided by our ESG non-financial rating partner

Human rights criterion:

- % of companies that are signatories to the United Nations Global Compact

Governance criterion:

- average % of independent directors

As part of SRI management, the analyst-managers ensure that an external ESG rating is maintained that is higher than that of a composite index made up of 30% of the ICE ER01 and 70% of the ICE H1EC after eliminating the 20% worst securities.

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

The external ESG ratings of the Sub-fund and the index correspond to the weighted average of the absolute E, S and G ratings provided by our ESG 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 score.

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 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%.

#### **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 shareholders, 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 shareholders entering and leaving the UCI that would otherwise have been allocated across all shareholders 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, 2021 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 31/12/2021: Fixed-term and permanent contracts of LFG, LFG Luxembourg and LFG Belgique (therefore excluding interns and apprentices and excluding LFG Courtage)**

Headcount at December 31st, 2021 LFG - LFG Belgique - LFG Luxembourg	Fixed annual remuneration 2021 in €	Variable remuneration for 2021 (cash paid in 2022 and deferred compensation allocated in 2022) in €
191	18 442 291	41 071 107

**“Identified employees”**

Category	Number of employees	Aggregate fixed and variable remuneration in 2021 (annual salaries and cash and deferred bonuses)
Senior management	3	6 464 457
Other	64	40 095 707
<b>Total</b>	<b>67</b>	<b>46 560 164</b>

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

## 12. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30/09/2022 in euros

### ASSETS

	30/09/2022	30/09/2021
<b>NET NON-CURRENT ASSETS</b>		
<b>DEPOSITS</b>		
<b>FINANCIAL INSTRUMENTS</b>	<b>59 716 503,89</b>	<b>30 658 679,89</b>
<b>Equities and similar securities</b>		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
<b>Bonds and similar securities</b>	<b>57 219 543,89</b>	<b>30 602 629,89</b>
Traded on a regulated or equivalent market	57 219 543,89	30 602 629,89
Not traded on a regulated or equivalent market		
<b>Debt securities</b>		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
<b>Undertakings for collective investment</b>	<b>1 513 935,36</b>	
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	1 513 935,36	
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		
<b>Temporary securities transactions</b>		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
<b>Forward financial instruments</b>	<b>983 024,64</b>	<b>56 050,00</b>
Transactions on a regulated or equivalent market	313 050,00	56 050,00
Other transactions	669 974,64	
<b>Other financial instruments</b>		
<b>RECEIVABLES</b>	<b>1 572 814,90</b>	<b>136 471,83</b>
Currency forward exchange transactions		
Other	1 572 814,90	136 471,83
<b>FINANCIAL ACCOUNTS</b>	<b>855 341,95</b>	<b>1 582 584,63</b>
Cash and cash equivalents	855 341,95	1 582 584,63
<b>TOTAL ASSETS</b>	<b>62 144 660,74</b>	<b>32 377 736,35</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	30/09/2022	30/09/2021
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	59 382 762,91	31 001 182,99
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)		
Net capital gains and losses for the year (a, b)	-34 194,23	-30 531,95
Net income for the year (a,b)	2 002 829,70	1 266 144,14
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>61 351 398,38</b>	<b>32 236 795,18</b>
<i>* Sum representing the net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>	<b>313 050,00</b>	<b>56 050,00</b>
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments	313 050,00	56 050,00
Transactions on a regulated or equivalent market	313 050,00	56 050,00
Other transactions		
<b>LIABILITIES</b>	<b>480 212,36</b>	<b>84 891,17</b>
Currency forward exchange transactions		
Other	480 212,36	84 891,17
<b>FINANCIAL ACCOUNTS</b>		
Bank overdrafts		
Borrowings		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>62 144 660,74</b>	<b>32 377 736,35</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS AT 30/09/2022 *in euros*

	30/09/2022	30/09/2021
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
EURO SCHATZ 1221		5 610 250,00
EURO SCHATZ 1222	35 364 450,00	
EURO BOBL 1221		8 095 800,00
Commitments on OTC markets		
Credit Default Swaps		
ITRAXX EUR XOVER S38	9 000 000,00	
ITRAXX EUR XOVER S38	4 000 000,00	
Other commitments		
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

**INCOME STATEMENT AT 30/09/2022 in euros**

	30/09/2022	30/09/2021
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	286,42	
Income from equities and similar securities		
Income from bonds and similar securities	2 197 048,36	677 927,31
Income from debt securities	6 375,00	
Income from temporary purchases and sales of securities		31,87
Income from forward financial instruments		
Other financial income		
<b>TOTAL (1)</b>	<b>2 203 709,78</b>	<b>677 959,18</b>
<b>Expenses related to financial transactions</b>		
Expenses related to temporary purchases and sales of securities	373,70	306,26
Expenses related to forward financial instruments		
Expenses related to financial liabilities	1 479,18	502,85
Other financial charges		
<b>TOTAL (2)</b>	<b>1 852,88</b>	<b>809,11</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>2 201 856,90</b>	<b>677 150,07</b>
Other income (3)		
Management fees and depreciation and amortisation (4)	519 445,61	109 253,70
<b>Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>1 682 411,29</b>	<b>567 896,37</b>
Income adjustment for the financial year (5)	320 418,41	698 247,77
Interim dividends paid on net income for the financial year (6)		
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>2 002 829,70</b>	<b>1 266 144,14</b>

## NOTES TO THE FINANCIAL STATEMENTS

### I. ACCOUNTING RULES AND PRINCIPLES

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

The general accounting principles apply:

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

#### Asset valuation rules

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

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

○ **Fixed-income securities:**

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

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

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

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price under the responsibility of the management company of the Fund.

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:

○ **Negotiable debt securities:**

- **Negotiable debt securities with a residual maturity of more than three months:**

Negotiable debt securities traded in large volumes are valued at market price.

In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic characteristics.

Benchmark rate	
Negotiable debt securities in euros	Negotiable debt securities in other currencies
Euribor, OISs and BTFs - 3 - 6 - 9 - 12 months BTANs - 18 months, 2 - 3 - 4 - 5 years	Official key rates in the relevant countries

- **Negotiable debt securities with a residual maturity of three months or less:**

Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.

○ **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**

Financial instruments that are not traded on a regulated market are valued at their foreseeable sale price under the management company's responsibility.

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

The commitment value for futures contracts is equal to the price (in the SICAV'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 SICAV'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 SICAV'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 1st, 2020. Shareholders can consult information on this mechanism in the SICAV's 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) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

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

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.

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

<i>Fees charged to the Sub-fund</i>	<i>Basis</i>	<i>Share</i>	<i>Maximum rate (incl. taxes)</i>	
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion	RC EUR	0,80%	
		RVC EUR	0,50%	
		PD EUR	0,40%	
		PVC EUR	0,25%	
		EVC EUR	0,15%	
Administrative fees external to the management company	Net assets	Applied to all shares	0,035%	
Indirect charges (management fees and expenses)	NA	Applied to all shares	None	
Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Applied to all shares	Bonds, foreign exchange	None
			Futures and other transactions	From €0 to €450 per batch/contract
Performance fee	Net assets	RC EUR, PD EUR	None	
		RVC EUR	20% above the benchmark index, capped at 2% of the net assets	
		PVC EUR, EVC EUR	20% above the benchmark index, capped at 2% of the net assets	

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 617.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

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

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

Distributable income consists of:

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

Net income 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:*

<b>Share(s)</b>	<b>Allocation of net income</b>	<b>Allocation of net realised capital gains or losses</b>
LAZARD EURO SHORT DURATION HIGH YIELD SRI EVC shares	Accumulation	Accumulation
LAZARD EURO SHORT DURATION HIGH YIELD SRI PD shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD EURO SHORT DURATION HIGH YIELD SRI PVC shares	Accumulation	Accumulation
LAZARD EURO SHORT DURATION HIGH YIELD SRI RC shares	Accumulation	Accumulation
LAZARD EURO SHORT DURATION HIGH YIELD SRI RVC shares	Accumulation	Accumulation

## 2. CHANGE IN NET ASSETS AT 30/09/2022 in euros

	30/09/2022	30/09/2021
<b>NET ASSETS AT START OF YEAR</b>	<b>32 236 795,18</b>	<b>10 856 257,36</b>
Subscriptions (including subscription fees retained by the Fund)	36 337 685,34	20 704 054,84
Redemptions (net of redemption fees retained by the Fund)	-4 731 272,25	-250 029,76
Realised capital gains on deposits and financial instruments	47 153,07	216 870,16
Realised capital losses on deposits and financial instruments	-854 940,03	-34 977,09
Realised capital gains on forward financial instruments	6 314 505,04	13 098 036,44
Realised capital losses on forward financial instruments	-5 600 533,64	-13 323 664,87
Transaction charges	-9 352,94	-7 332,69
Exchange rate differences		
Changes in valuation difference of deposits and financial instruments	-4 869 524,48	353 644,09
<i>Valuation difference for financial year N</i>	<i>-4 500 880,42</i>	<i>368 644,06</i>
<i>Valuation difference for financial year N-1</i>	<i>-368 644,06</i>	<i>-14 999,97</i>
Changes in valuation difference of forward financial instruments	926 974,64	56 050,00
<i>Valuation difference for financial year N</i>	<i>983 024,64</i>	<i>56 050,00</i>
<i>Valuation difference for financial year N-1</i>	<i>-56 050,00</i>	
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year	-128 502,84	-9,67
Net profit/loss for the financial year prior to income adjustment	1 682 411,29	567 896,37
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items		
<b>NET ASSETS AT END OF YEAR</b>	<b>61 351 398,38</b>	<b>32 236 795,18</b>

### 3. ADDITIONAL INFORMATION

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

	Amount	%
<b>ASSETS</b>		
<b>BONDS AND SIMILAR SECURITIES</b>		
Fixed-rate bonds traded on a regulated or similar market	56 264 365,98	91,71
Fixed-rate bonds traded on a regulated or similar market	955 177,91	1,56
<b>TOTAL BONDS AND SIMILAR SECURITIES</b>	<b>57 219 543,89</b>	<b>93,27</b>
<b>DEBT SECURITIES</b>		
<b>TOTAL DEBT SECURITIES</b>		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SALES OF FINANCIAL INSTRUMENTS</b>		
<b>TOTAL SALES OF FINANCIAL INSTRUMENTS</b>		
<b>OFF-BALANCE SHEET</b>		
<b>HEDGING TRANSACTIONS</b>		
Credit	13 000 000,00	21,19
Interest rates	35 364 450,00	57,64
<b>TOTAL HEDGING TRANSACTIONS</b>	<b>48 364 450,00</b>	<b>78,83</b>
<b>OTHER TRANSACTIONS</b>		
<b>TOTAL OTHER TRANSACTIONS</b>		

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>ASSETS</b>								
Deposits								
Bonds and similar securities	56 264 365,98	91,71			955 177,91	1,56		
Debt securities								
Temporary securities transactions								
Financial accounts							855 341,95	1,39
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Temporary securities transactions								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions	35 364 450,00	57,64						
Other transactions								

3.3. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY<sup>0</sup>

	< 3 months	%	]3 months-1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>ASSETS</b>										
Deposits										
Bonds and similar securities	1 741 400,98	2,84	8 600 898,89	14,02	13 745 653,65	22,40	4 218 292,78	6,88	28 913 297,59	47,13
Debt securities										
Temporary securities transactions										
Financial accounts	855 341,95	1,39								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
Temporary securities transactions										
Financial accounts										
<b>OFF-BALANCE SHEET</b>										
Hedging transactions					35 364 450,00	57,64				
Other transactions										

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

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

	Currency 1		Currency 2		Currency 3		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
Deposits								
Equities and similar securities								
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables								
Financial accounts								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions								
Other transactions								

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

	Debit/credit item	30/09/2022
<b>RECEIVABLES</b>		
	Deferred settlement sale	103 398,96
	Subscription receivables	21 362,14
	Margin cash deposits	309 678,80
	Coupons and dividends in cash	98 375,00
	Collateral	1 040 000,00
<b>TOTAL RECEIVABLES</b>		<b>1 572 814,90</b>
<b>LIABILITIES</b>		
	Deferred settlement purchase	100 617,36
	Fixed management fees	21 942,63
	Variable management fees	357 652,37
<b>TOTAL LIABILITIES</b>		<b>480 212,36</b>
<b>TOTAL LIABILITIES AND RECEIVABLES</b>		<b>1 092 602,54</b>

### 3.6. SHAREHOLDERS' EQUITY

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

	In equity	In amounts
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI EVC shares</b>		
Shares subscribed during the financial year	4 000,000	4 259 470,00
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	4 000,000	4 259 470,00
Number of shares outstanding at the end of the financial year	9 000,000	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PD shares</b>		
Shares subscribed during the financial year	7 548,312	7 965 135,78
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	7 548,312	7 965 135,78
Number of shares outstanding at the end of the financial year	7 549,312	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PVC shares</b>		
Shares subscribed during the financial year	19 265,996	21 025 478,56
Shares redeemed during the financial year	-4 267,005	-4 576 087,25
Net balance of subscriptions/redemptions	14 998,991	16 449 391,31
Number of shares outstanding at the end of the financial year	39 320,912	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RC shares</b>		
Shares subscribed during the financial year	28 070,000	3 087 601,00
Shares redeemed during the financial year	-1 450,000	-155 185,00
Net balance of subscriptions/redemptions	26 620,000	2 932 416,00
Number of shares outstanding at the end of the financial year	26 801,000	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RVC shares</b>		
Shares subscribed during the financial year		
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions		
Number of shares outstanding at the end of the financial year	1,000	

### 3.6.2. Subscription and/or redemption fees

	In amounts
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI EVC shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PD shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PVC shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RC shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RVC shares</b> Total fees acquired Subscription fees acquired Redemption fees acquired	

### 3.7. MANAGEMENT FEES

	30/09/2022
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI EVC shares</b>	
Guarantee fees	
Fixed management fees	11 398,39
Percentage of fixed management fees	0,18
Provisioned variable management fees	53 108,09
Percentage of variable management fees provisioned	0,83
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PD shares</b>	
Guarantee fees	
Fixed management fees	18 893,38
Percentage of fixed management fees	0,43
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PVC shares</b>	
Guarantee fees	
Fixed management fees	112 122,13
Percentage of fixed management fees	0,28
Provisioned variable management fees	290 285,94
Percentage of variable management fees provisioned	0,72
Variable management fees earned	14 257,52
Percentage of variable management fees earned	0,04
Retrocessions of management fees	
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RC shares</b>	
Guarantee fees	
Fixed management fees	19 379,30
Percentage of fixed management fees	0,83
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."

	30/09/2022
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RVC shares</b>	
Guarantee fees	
Fixed management fees	0,04
Percentage of fixed management fees	0,04
Provisioned variable management fees	0,82
Percentage of variable management fees provisioned	0,76
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.”

### 3.7. 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

	30/09/2022
Securities held under repurchase agreements Borrowed securities	

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

	30/09/2022
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	30/09/2022
Equities			
Bonds			
Negotiable debt securities			
UCIs			1 513 935,36
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET "C"	1 513 935,36
Forward financial instruments			
<b>Total group securities</b>			<b>1 513 935,36</b>

### 3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

#### Table of appropriation of distributable income pertaining to net income

	30/09/2022	30/09/2021
<b>Remaining amounts to be allocated</b>		
Retained earnings		
Net income	2 002 829,70	1 266 144,14
<b>Total</b>	<b>2 002 829,70</b>	<b>1 266 144,14</b>

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI EVC shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	309 726,46	219 769,04
<b>Total</b>	<b>309 726,46</b>	<b>219 769,04</b>

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PD shares</b>		
<b>Appropriation</b>		
Distribution	288 836,68	46,74
Balance brought forward for the financial year	66,83	
Accumulation		
<b>Total</b>	<b>288 903,51</b>	<b>46,74</b>
<b>Information on shares with dividend rights</b>		
Number of shares	7 549,312	1,000
Dividend per share	38,26	46,74
<b>Tax credit</b>		
<b>Tax credit attached to the distribution of earnings</b>		

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PVC shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	1 309 300,54	1 045 488,58
<b>Total</b>	<b>1 309 300,54</b>	<b>1 045 488,58</b>

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RC shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	94 895,55	835,22
<b>Total</b>	<b>94 895,55</b>	<b>835,22</b>

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RVC shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	3,64	4,56
<b>Total</b>	<b>3,64</b>	<b>4,56</b>

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

	30/09/2022	30/09/2021
<b>Remaining amounts to be allocated</b>		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	-34 194,23	-30 531,95
Interim dividends paid on net capital gains/losses for the financial year		
<b>Total</b>	<b>-34 194,23</b>	<b>-30 531,95</b>

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI EVC shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-5 298,81	-5 253,92
<b>Total</b>	<b>-5 298,81</b>	<b>-5 253,92</b>

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PD shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-4 504,08	-0,79
<b>Total</b>	<b>-4 504,08</b>	<b>-0,79</b>

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PVC shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-22 801,61	-25 265,15
<b>Total</b>	<b>-22 801,61</b>	<b>-25 265,15</b>

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RC shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-1 589,68	-12,01
<b>Total</b>	<b>-1 589,68</b>	<b>-12,01</b>

	30/09/2022	30/09/2021
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RVC shares</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-0,05	-0,08
<b>Total</b>	<b>-0,05</b>	<b>-0,08</b>

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

	30/09/2020	30/09/2021	30/09/2022
<b>Global net assets in euros</b>	<b>10 856 257,36</b>	<b>32 236 795,18</b>	<b>61 351 398,38</b>
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI EVC shares in EUR</b>			
Net assets	51 13 131,70	5 498 335,16	9 497 192,22
Number of shares	5 000,000	5 000,000	9 000,000
Net asset value per share	1 022,62	1 099,66	1 055,24
Accumulation per share pertaining to net capital gains/losses	1 1,40	-1,05	-0,58
Accumulation per share pertaining to income	9,76	43,95	34,41
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PD shares in EUR</b>			
Net assets	1 022,43	1 092,07	7 610 521,50
Number of shares	1,000	1,000	7 549,312
Net asset value per share	1 022,43	1 092,07	1 008,10
Accumulation per share pertaining to net capital gains/losses	1 1,42	-0,79	-0,59
Distribution of income per share:	9,67	46,74	38,26
Tax credit per share			
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI PVC shares in EUR</b>			
Net assets	5 741 898,75	26 717 314,93	41 407 990,37
Number of shares	5 616,000	24 321,921	39 320,912
Net asset value per share	1 022,41	1 098,48	1 053,07
Accumulation per share pertaining to net capital gains/losses	1 1,40	-1,03	-0,57
Accumulation per share pertaining to income	9,55	42,98	33,29
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RC shares in EUR</b>			
Net assets	102,21	19 942,88	2 835 588,55
Number of shares	1,000	181,000	26 801,000
Net asset value per share	102,21	1 10,18	105,80
Accumulation per share pertaining to net capital gains/losses	1,15	-0,06	-0,05
Accumulation per share pertaining to income	0,95	4,61	3,54

	30/09/2020	30/09/2021	30/09/2022
<b>LAZARD EURO SHORT DURATION HIGH YIELD SRI RVC shares in EUR</b>			
Net assets	102,27	1 10,14	105,74
Number of shares	1,000	1,000	1,000
Net asset value per share	102,27	1 10,14	105,74
Accumulation per share pertaining to net capital gains/losses	1,15	-0,08	-0,05
Accumulation per share pertaining to income	1,02	4,56	3,64

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Bonds and similar securities</b>				
<b>Bonds and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
CMZB FRANCFORT 1.375% 29-12-31	EUR	200 000	158 537,05	0,26
DEUTSCHE LUFTHANSA AG 1.625% 16-11-23	EUR	800 000	782 508,49	1,28
DEUTSCHE LUFTHANSA AG 2.0% 14-07-24	EUR	400 000	377 879,26	0,62
DEUTSCHE PFANDBRIEFBANK AG EUAR05+2.75% 28-06-27	EUR	400 000	359 081,12	0,59
HP PELZER 4.125% 01-04-24	EUR	200 000	156 586,75	0,25
INFINEON TECHNOLOGIES AG 0.75% 24-06-23	EUR	100 000	98 776,59	0,16
KS AKTUELL AG 2.625% 06-04-23	EUR	300 000	303 726,64	0,49
LANXESS FINANCE 4.5% 06-12-76	EUR	100 000	99 001,45	0,16
NIDDA HEALTHCARE HOLDING 3.5% 30-09-24	EUR	400 000	364 527,56	0,59
THYSSENKRUPP AG 2.875% 22-02-24	EUR	300 000	287 653,15	0,47
ZF NA CAPITAL 2.75% 27-04-23	EUR	500 000	499 359,90	0,81
<b>TOTAL GERMANY</b>			<b>3 487 637,96</b>	<b>5,68</b>
<b>AUSTRIA</b>				
RAIFFEISEN BANK INTERNATIONAL AG 6.125% PERP	EUR	200 000	176 233,16	0,28
VILKSBANK WIEN AG 2.75% 06-10-27	EUR	500 000	466 544,66	0,76
VILKSBANK WIEN AG 7.75% PERP	EUR	400 000	384 170,50	0,63
<b>TOTAL AUSTRIA</b>			<b>1 026 948,32</b>	<b>1,67</b>
<b>BELGIUM</b>				
BELFIUS BANK 3.625% PERP	EUR	600 000	431 829,89	0,71
<b>TOTAL BELGIUM</b>			<b>431 829,89</b>	<b>0,71</b>
<b>DENMARK</b>				
NORICAN AS 4.5% 15-05-23	EUR	100 000	93 190,50	0,15
<b>TOTAL DENMARK</b>			<b>93 190,50</b>	<b>0,15</b>
<b>SPAIN</b>				
ABANCA CORPORACION BANCARIA 7.5% PERP	EUR	800 000	743 674,09	1,21
BANCO DE BADELL 2.5% 15-04-31	EUR	200 000	163 434,16	0,26
BANCO DE BADELL 5.375% 12-12-28	EUR	600 000	616 514,42	1,00
BANCO DE SABADELL SA 6.125% PERP	EUR	200 000	181 807,10	0,30
BANCO SANTANDER SA 5.25% PERP	EUR	800 000	721 296,92	1,18
BANKIA 6.375% PERP	EUR	200 000	190 607,41	0,31
GRIFOLS 1.625% 15-02-25	EUR	400 000	356 732,72	0,59
GRIFOLS 3.2% 01-05-25	EUR	100 000	89 191,50	0,14
IBERCAJA 3.75% 15-06-25	EUR	700 000	693 079,88	1,13
IBERCAJA 7.0% PERP	EUR	200 000	190 893,91	0,31
INTL CONSOLIDATED AIRLINES GROU 0.5% 04-07-23	EUR	700 000	665 654,69	1,09
INTL CONSOLIDATED AIRLINES GROU 2.75% 25-03-25	EUR	100 000	85 289,61	0,14
MASARIA INVESTMENTS SAU 5.0% 15-09-24	EUR	500 000	472 836,94	0,77
UNICAJA BAN 2.875% 13-11-29	EUR	200 000	182 076,86	0,29
<b>TOTAL SPAIN</b>			<b>5 353 090,21</b>	<b>8,72</b>
<b>ESTONIA</b>				
AKTSIASELTS LUMINOR BANK ZCP 29-08-24	EUR	600 000	600 617,09	0,98
<b>TOTAL ESTONIA</b>			<b>600 617,09</b>	<b>0,98</b>

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR (continued)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>UNITED STATES</b>				
FORD MOTOR CREDIT 1.514% 17-02-23	EUR	400 000	400 403,52	0,65
FORD MOTOR CREDIT CO 3.021% 06-03-24	EUR	500 000	488 320,82	0,80
<b>TOTAL UNITED STATES</b>			<b>888 724,34</b>	<b>1,45</b>
<b>FINLAND</b>				
NOKIA 2 03/15/24	EUR	1 000 000	989 278,29	1,61
<b>TOTAL FINLAND</b>			<b>989 278,29</b>	<b>1,61</b>
<b>FRANCE</b>				
ACCOR 3.0% 04/02/2026	EUR	300 000	284 473,62	0,46
ACCOR SA 2.625% PERP	EUR	700 000	552 633,27	0,90
AIR FRANCEKLM 3.75% 12-10-22	EUR	1 000 000	1 032 848,08	1,69
AIR FR KLM 1.875% 16-01-25	EUR	400 000	346 235,01	0,57
AIR FR KLM 3.0% 01-07-24	EUR	200 000	191 191,64	0,31
BNP PAR 2.5% 31 -03-32 EMTN	EUR	300 000	261 861,97	0,43
BPCE 4.625% 18/07/2023	EUR	1 000 000	1 018 613,56	1,66
BQ POSTALE 3.875% PERP	EUR	400 000	317 968,38	0,52
CASINO GUICHARD PERRACHON 4.561% 25-01-23	EUR	600 000	596 096,79	0,97
CREDIT AGRICOLE SA 4.10% 04/24	EUR	500 000	513 483,32	0,84
EDF 4.0% PERP	EUR	1 500 000	1 361 302,50	2,22
ELIOR GROUP SCA 3.75% 15-07-26	EUR	100 000	77 863,42	0,13
ELIS EX HOLDELIS 1.875% 15-02-23	EUR	800 000	803 125,15	1,31
ENGIE 3.25% PERP	EUR	300 000	293 008,79	0,47
FAURECIA 2.625% 15-06-25	EUR	100 000	88 535,79	0,14
FAURECIA 3.125% 15-06-26	EUR	200 000	170 584,36	0,28
GOLDSTORY SASU 5.375% 01 -03-26	EUR	300 000	259 586,13	0,42
GROUPAMA ASSURANCES MUTUELLES SA 6.375% PERP	EUR	100 000	101 246,58	0,16
GROUPE DANONE 1.75% PERP EMTN	EUR	700 000	683 485,85	1,12
ILIAD HOLDING HOLD 5.125% 15-10-26	EUR	100 000	93 058,40	0,15
LA FINANCIERE ATALIAN 4.0% 15-05-24	EUR	500 000	484 634,72	0,79
L OREAL S A 0.375% 29-03-24	EUR	500 000	487 000,89	0,80
ORAN 5.0% PERP EMTN	EUR	300 000	297 216,29	0,49
ORANGE 2.375% PERP	EUR	400 000	374 190,71	0,61
ORANO SA 3.125% 20-03-23 EMTN	EUR	900 000	913 947,35	1,49
ORANO SA 4.875% 23-09-24 EMTN	EUR	500 000	507 262,09	0,82
PAPREC 4.0% 31/03/2025	EUR	300 000	270 026,00	0,44
PARTS EUROPE 6.5% 16-07-25	EUR	250 000	253 168,47	0,41
PICARD GROUPE 3.875% 01 -07-26	EUR	200 000	170 895,53	0,27
RENAULT 1.25% 24-06-25 EMTN	EUR	200 000	174 793,63	0,28
RENAULT 2.375% 25-05-26 EMTN	EUR	200 000	169 343,81	0,28
SCHNEIDER ELECTRIC SE 0.0000010% 12-06-23	EUR	500 000	492 187,50	0,80
SG 1.125% 30-06-31 EMTN	EUR	300 000	248 968,17	0,40
SG 1.375% 23-02-28 EMTN	EUR	1 200 000	1 186 212,82	1,94
SOLVAY FINANCE 5.425% 3 1/12/99	EUR	300 000	311 474,53	0,51
SPCM 2.0% 01/02/2026	EUR	200 000	181 673,11	0,30
SPIE 3.125% 22/03/2024	EUR	900 000	898 556,24	1,47
TOTALENERGIES SE 1.75% PERP	EUR	700 000	653 211,28	1,07
UNIBAIL RODAMCO SE 2.125% PERP	EUR	500 000	449 398,70	0,73
UNIBAIL RODAMCO SE 2.875% PERP	EUR	200 000	159 065,05	0,26
VALLOUREC 8.5% 30-06-26	EUR	700 000	684 384,94	1,11
<b>TOTAL FRANCE</b>			<b>18 414 814,44</b>	<b>30,02</b>

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR (continued)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>GREECE</b>				
ALPHA BANK 4.25% 13-02-30 EMTN	EUR	700 000	597 751,10	0,97
NATL BANK OF GREECE 8.25% 18-07-29	EUR	500 000	505 872,57	0,82
PIRAEUS BANK 3.875% 03-11-27	EUR	450 000	383 694,78	0,63
PIRAEUS FINANCIAL 8.75% PERP	EUR	600 000	416 167,69	0,68
PIRAEUS FINANCIAL 9.75% 26-06-29	EUR	900 000	904 376,10	1,47
<b>TOTAL GREECE</b>			<b>2 807 862,24</b>	<b>4,57</b>
<b>HUNGARY</b>				
OTP BANK 5.5% 13-07-25 EMTN	EUR	500 000	503 150,92	0,82
<b>TOTAL HUNGARY</b>			<b>503 150,92</b>	<b>0,82</b>
<b>IRELAND</b>				
ABBOTT IRELAND FINANCING DAC 0.875% 27-09-23	EUR	100 000	98 411,28	0,16
BK IRELAND GROUP 1.875% 05-06-26	EUR	350 000	325 761,01	0,53
SMURFIT KAPPA ACQUISITIONS 2.875% 15-01 -26	EUR	200 000	194 612,81	0,32
<b>TOTAL IRELAND</b>			<b>618 785,10</b>	<b>1,01</b>
<b>ITALY</b>				
AUTO PER 1.875% 04-11-25 EMTN	EUR	300 000	276 615,76	0,45
AUTO PER L IT 1.625% 12-06-23	EUR	1 000 000	999 145,34	1,63
BANCA IFIS 4.5% 17-10-27 EMTN	EUR	200 000	196 779,45	0,32
BANCA POPOLARE DELL EMILIA ROMAGNA 3.875% 25-07-32	EUR	200 000	162 457,53	0,27
BANCA POPOLARE DELL EMILIA ROMAGNA 4.625% 22-01-25	EUR	1 000 000	1 003 409,52	1,64
BANCO BPM 2.875% 29-06-31 EMTN	EUR	100 000	81 560,04	0,13
BANCO BPM 4.25% 01-10-29	EUR	100 000	93 195,93	0,15
ENEL 2.5% 24-11-78	EUR	900 000	873 685,66	1,42
ENI 2.625% PERP	EUR	500 000	440 390,65	0,72
FONDIARIA SAI 5.75% 31-12-99	EUR	200 000	192 812,74	0,32
INTE 3.75% PERP	EUR	500 000	384 321,14	0,63
INTESA SANPAOLO 6.25% PERP	EUR	200 000	188 326,40	0,31
INTESA SANPAOLO SPA 6.625% 13/09/2023	EUR	500 000	513 410,82	0,83
TELECOM ITALIA SPA EX OLIVETTI 2.75% 26-03-22	EUR	400 000	375 273,56	0,61
UBI BANCA UNIONE DI BANCHE ITALIANE 4.375% 12-07-29	EUR	400 000	394 227,40	0,64
UNICREDIT SPA 6.625% PERP	EUR	500 000	479 939,67	0,78
UNICREDIT SPA 7.5% PERP	EUR	500 000	453 427,46	0,74
<b>TOTAL ITALY</b>			<b>7 108 979,07</b>	<b>11,59</b>
<b>LUXEMBOURG</b>				
ALTICE FINANCING 2.25% 15-01-25	EUR	200 000	177 342,50	0,29
ARCELLOR MITTAL 4.875% 26-09-26	EUR	700 000	691 871,83	1,13
CIRSA FINANCE INTL SARL 6.25% 20-12-23	EUR	300 000	254 020,13	0,41
EUROFINS SCIENTIFIC 2.125% 25-07-24	EUR	500 000	489 494,28	0,80
<b>TOTAL LUXEMBOURG</b>			<b>1 612 728,74</b>	<b>2,63</b>
<b>PANAMA</b>				
CARN CORP 1.875% 07-11-22	EUR	700 000	708 552,90	1,15
CARNIVAL CORPORATION 10.125% 01 -02-26	EUR	100 000	100 847,88	0,17
<b>TOTAL PANAMA</b>			<b>809 400,78</b>	<b>1,32</b>
<b>NETHERLANDS</b>				
AEGON 4 04/25/44	EUR	200 000	195 798,68	0,32
DUFY ONE B.V 2.5% 31-12-24	EUR	350 000	326 737,64	0,53
GAS NATU FENO 4.125% 30-11-49	EUR	200 000	203 598,88	0,33

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR (continued)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
IBERDROLA INTL BV 3.25% PERP	EUR	1 000 000	966 405,62	1,58
IPD 3 BV 5.5% 01-12-25	EUR	100 000	92 448,17	0,15
KPN 2.0% PERP	EUR	400 000	368 994,44	0,60
LEASEPLAN CORPORATION NV 7.375% PERP	EUR	200 000	184 928,43	0,30
NN GROUP N.V. 4.5% 3 1/12/2099	EUR	600 000	566 070,78	0,93
NN GROUP NV 4.375% PERP EMTN	EUR	1 000 000	966 344,52	1,57
REPSOL INTERNATIONAL FINANCE BV 4.5% 25-03-75	EUR	700 000	676 010,66	1,10
STELLANTIS NV 3.375% 07-07-23	EUR	700 000	707 797,62	1,15
TELEFONICA EUROPE BV 3.0% PERP	EUR	700 000	685 612,41	1,12
TELEFONICA EUROPE BV 4.375% PERP	EUR	200 000	194 573,41	0,32
TEVA PHAR FIN 1.25% 31 -03-23	EUR	400 000	397 051,64	0,65
VOLKSWAGEN INTL FINANCE NV 3.375% PERP	EUR	200 000	190 194,82	0,31
VOLKSWAGEN INTL FIN NV 5.125%/TV PERP	EUR	100 000	100 148,23	0,16
ZF EUROPE FINANCE BV 1.25% 23-10-23	EUR	500 000	490 442,16	0,80
<b>TOTAL NETHERLANDS</b>			<b>7 313 158,11</b>	<b>1 1,92</b>
<b>PORTUGAL</b>				
BCP 3.871% 27-03-30 EMTN	EUR	700 000	579 020,03	0,94
BCP 4.5% 07-12-27 EMTN	EUR	600 000	553 376,75	0,91
BCP 9.25% PERP	EUR	400 000	348 059,33	0,57
CAIXA GEN 5.75% 28-06-28 EMTN	EUR	700 000	705 983,85	1,16
ENERGIAS DE PORTUGAL EDP 4.496% 30-04-79	EUR	1 000 000	977 248,96	1,59
NOVO BAN 8.5% 06-07-28	EUR	800 000	746 179,12	1,21
<b>TOTAL PORTUGAL</b>			<b>3 909 868,04</b>	<b>6,38</b>
<b>UNITED KINGDOM</b>				
BARCLAYS PLC 2.0% 07-02-28	EUR	1 000 000	997 895,89	1,63
INEOS FINANCE 2.875% 01-05-26	EUR	100 000	85 190,88	0,14
YULE CATTO AND 3.875% 01 -07-25	EUR	200 000	166 393,08	0,27
<b>TOTAL UNITED KINGDOM</b>			<b>1 249 479,85</b>	<b>2,04</b>
<b>TOTAL Bonds and similar securities traded on a regulated or similar market</b>			<b>57 219 543,89</b>	<b>93,27</b>
<b>TOTAL Bonds and similar securities</b>			<b>57 219 543,89</b>	<b>93,27</b>
<b>Undertakings for collective investment</b>				
<b>General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>				
<b>FRANCE</b>				
LAZARD EURO SHORT TERM MONEY MARKET "C"	EUR	768	1513 935,36	2,46
<b>TOTAL FRANCE</b>			<b>1 513 935,36</b>	<b>2,46</b>
<b>TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>			<b>1 513 935,36</b>	<b>2,46</b>
<b>TOTAL Undertakings for collective investment</b>			<b>1 513 935,36</b>	<b>2,46</b>
<b>Forward financial instruments</b>				
<b>Futures contracts</b>				
<b>Futures contracts on a regulated or equivalent market</b>				
EURO SCHATZ 1222	EUR	-330	313 050,00	0,51
<b>TOTAL Futures contracts on a regulated or equivalent market</b>			<b>313 050,00</b>	<b>0,51</b>
<b>TOTAL Futures contracts</b>			<b>313 050,00</b>	<b>0,51</b>

### 3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR (continued)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Other forward financial instruments</b>				
<b>Credit Default Swap</b>				
ITRAXX EUR XOVER S38	EUR	-9 000 000	463 828,60	0,76
ITRAXX EUR XOVER S38	EUR	-4 000 000	206 146,04	0,34
<b>TOTAL Credit Default Swap</b>			<b>669 974,64</b>	<b>1,10</b>
<b>TOTAL Other forward financial instruments</b>			<b>669 974,64</b>	<b>1,10</b>
<b>TOTAL Forward financial instruments</b>			<b>983 024,64</b>	<b>1,61</b>
<b>Margin call</b>				
CACEIS MARGIN CALL	EUR	-313 050	-313 050,00	-0,52
<b>TOTAL Margin call</b>			<b>-313 050,00</b>	<b>-0,52</b>
<b>Receivables</b>			<b>1 572 814,90</b>	<b>2,57</b>
<b>Liabilities</b>			<b>-480 212,36</b>	<b>-0,78</b>
<b>Financial accounts</b>			<b>855 341,95</b>	<b>1,39</b>
<b>Net assets</b>			<b>61 351 398,38</b>	<b>100,00</b>

LAZARD EURO SHORT DURATION HIGH YIELD SRI PD shares	EUR	7 549,312	1 008,10	
LAZARD EURO SHORT DURATION HIGH YIELD SRI RVC shares	EUR	1,000	105,74	
LAZARD EURO SHORT DURATION HIGH YIELD SRI RC shares	EUR	26 801,000	105,80	
LAZARD EURO SHORT DURATION HIGH YIELD SRI EVC shares	EUR	9 000,000	1 055,24	
LAZARD EURO SHORT DURATION HIGH YIELD SRI PVC shares	EUR	39 320,912	1 053,07	

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

Breakdown of interest: LAZARD EURO SHORT DURATION HIGH YIELD SRI PD shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	288 836,68	EUR	38,26	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	288 836,68	EUR	38,26	EUR