French open-end investment fund (FCP)

LAZARD CAPITAL FI SRI

ANNUAL REPORT

as at December 29th, 2023

Management company: Lazard Frères Gestion SAS
Custodian: Caceis Bank
Statutory auditor: Mazars

Lazard Frères Gestion SAS - 25 rue de Courcelles - 75008 - Paris - France

CONTENTS

1. Characteristics of the UCI 3

2. Changes affecting the UCI 12

3. Management report 13

4. Regulatory information 22

5. Certification by the Statutory Auditor 27

6. Annual financial statements 33

7. Appendix(es) 77

    SFDR information 78

    Energy and Climate law (LEC) 88

1. CHARACTERISTICS OF THE UCI

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

Fund of Fund
None.

CLASSIFICATION
International bonds and other debt securities.

ALLOCATION OF DISTRIBUTABLE INCOME
Distributable income consists of:

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

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.

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

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

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

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

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

INVESTMENT OBJECTIVE
RVC EUR, RVD EUR, PVC EUR, PVD EUR, TVD EUR, SC EUR, SD EUR, PVD F EUR, PVC F EUR, PC EUR units
The investment objective is to achieve, through a Socially Responsible Investment (SRI) management approach, a performance net of fees that exceeds that of the following benchmark over the recommended investment period of five years: Barclays Global Contingent Capital Hedged EUR The benchmark index is expressed in EUR. The benchmark is hedged against currency risk with the reference currency being the EUR. Net dividends or coupons are reinvested.

PC H-USD, PVC H-USD, PD H-USD, RD H-USD units
The investment objective is to achieve, through a Socially Responsible Investment (SRI) management approach, a performance net of fees that exceeds that of the following benchmark over the recommended investment period of five years: Barclays Global Contingent Capital Hedged USD The benchmark index is expressed in USD.

The benchmark is hedged against currency risk with the reference currency being the USD. Net dividends or coupons are reinvested.

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

BENCHMARK INDEX

RVC EUR, RVD EUR, PVC EUR, PVD EUR, TVD EUR, SC EUR, SD EUR, PVD F EUR, PVC F EUR, PC EUR units
Barclays Global Contingent Capital Hedged EUR
The Barclays Global Contingent Capital Hedged EUR index is weighted according to the market value of the securities that comprise it, with a concentration on liquid issues. It comprises issues by banks, financial institutions or insurers above €300m, £200m and $300m, denominated in various currencies. It is rebalanced on a monthly basis with elimination of issues with a maturity of less than one year.
The data is available at: https://www.bloomberg.com/markets/rates-bonds/bloomberg-barclaysindices
Bloomberg code: BCCGTREH Index

PVC H-CHF, RC H-CHF units
Barclays Global Contingent Capital Hedged CHF
The Barclays Global Contingent Capital Hedged CHF index is weighted according to the market value of the securities that comprise it, with a concentration on liquid issues. It comprises issues by banks, financial institutions or insurers above €300m, £200m and $300m, denominated in various currencies. It is rebalanced on a monthly basis with elimination of issues with a maturity of less than one year.
The data is available at: https://www.bloomberg.com/markets/rates-bonds/bloomberg-barclaysindices
Bloomberg code: BCCGSICH Index

PC H-USD, PVC H-USD, PD H-USD, RD H-USD units
Barclays Global Contingent Capital Hedged USD
The Barclays Global Contingent Capital Hedged USD index is weighted according to the market value of the securities that comprise it, with a concentration on liquid issues. It comprises issues by banks, financial institutions or insurers above €300m, £200m and $300m, denominated in various currencies. It is rebalanced on a monthly basis with elimination of issues with a maturity of less than one year.
The data is available at: https://www.bloomberg.com/markets/rates-bonds/bloomberg-barclaysindices
Bloomberg code: BCCGTRUH Index

As at the date of this prospectus, the administrator of the following benchmark index: [Bloomberg Barclays] is registered on the register of administrators and benchmark indices maintained by the ESMA.
Additional information on the benchmark index can be found on the administrator's website at the following link: [https://www.bloomberg.com/markets/rates-bonds/bloomberg-barclaysindices].
The management company will ensure that this link is still valid in future updates of the UCI's prospectus.

INVESTMENT STRATEGY

1. Strategies used

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

To achieve this investment objective, the portfolio will be actively managed, invested mainly in subordinated debt (which is riskier than senior or secured debt) or any securities not deemed to be ordinary shares and issued by financial institutions, including contingent convertible bonds.

The management process combines a top-down approach (strategic and geographical allocation approach taking into account the macroeconomic and sectoral environment) and a bottom-up approach (approach for selecting investment vehicles on a fundamental basis after analysing issuers' creditworthiness and the quality of individual securities).

The modified duration is between 0 and 8.

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

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

As an exception to the 5%-10%-40% ratios, the management team may invest up to 100% of the UCI's net assets in securities guaranteed by a Member State of the EEA or the United States, provided that these securities belong to at least six different issues and that any single issue does not exceed 30% of the total amount of the UCI's assets.

The Fund may invest in any type of issuer whose registered office is located in an OECD-member country and/or issue listed on a stock exchange in one of these countries.

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

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

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

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

The UCI is managed in accordance with the principles of the SRI label defined by the French Ministry of Economy and Finance. The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, stock picking 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 agencies, 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.). This ESG rating takes into account the companies’ main negative impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production) and the risks likely to affect their own sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk through, among other factors, monitoring of controversies).

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

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

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

On the basis of these internal ESG analysis grids, we have developed a fixed income process that:
- Limits to 30% of the portfolio the share of issuers with a rating of less than or equal to 3
- Excludes issuers with a rating of less than or equal to 2

As part of SRI management, the analyst-managers ensure that an external ESG rating is maintained that is higher than that of a universe composed of the stocks of our extra-financial rating partners, Moody's ESG Solutions and MSCI, after eliminating the 20% worst stocks.

The ESG rating methodology for this fund uses a multiple external ESG provider approach.
The ESG universe is composed of the Moody's ESG Solutions and MSCI universes, applying both a geographical and sector filter. All issuers rated by Moody's ESG Solutions and MSCI belonging to geographic Europe and to the following sectors are therefore retained:

Moody's ESG Solutions:
- Diversified banks
- Financial Services General
- Insurance
- Retail and Specialised Banks

MSCI:
- Asset Management & Custody Banks
- Banks
- Consumer Finance
- Diversified Financials
- Investment Banking & Brokerage
- Life & Health Insurance
- Multi-Line Insurance & Brokerage
- Property & Casualty Insurance

Each company's ESG rating is based on an absolute rating scale of 0 to 100 for Moody's ESG Solutions (Overall Score), with 100 being the highest score. The score is based on an absolute rating scale of 0 to 10 for MSCI (Weighted Average Score), with 10 being the highest score.

The methodology used to calculate the ESG scores of the issuers is as follows:
1. For each provider, the analyst-managers calculate the mean and standard deviations of the score distribution;
2. For each provider, the scores are transformed into a standard normal distribution;
3. The calculated means and standard deviations are aggregated across suppliers using simple averages. These parameters are used to re-normalise the scores;
4. The normalised scores are rescaled and the distribution is staggered using the consolidated mean and standard deviation for external providers. This provides normalised scores for each issuer and for each score provider;
5. As the normalised scores have similar distributions, the analyst-managers generate average scores for each issuer.

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,
- Protection of healthy ecosystems.

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

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

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

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

2. Assets excluding derivatives

Equities:

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

Debt securities and money-market instruments:

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

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

UCIs:

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

3. Derivatives

- Types of markets:

☒ regulated
☒ organised
☒ OTC

- The manager intends to seek exposure to:

☒ equities
☒ interest rates
☒ foreign exchange
☒ credit
☐ other risks

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

☒ hedging
☒ exposure
☐ arbitrage
☐ other

- Types of instruments used:

☒ futures:
  ☒ equity and equity indices limited to 10% maximum
  ☒ interest rate
  ☒ currency: interest rate risk
  ☐ other
☒ options:
  ☒ equity and equity indices limited to 10% maximum
  ☒ interest rate
  ☒ currency: on organised markets only
  ☐ other

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

☒ currency forwards
☒ up to 40% of net assets in credit derivatives
☐ other

- Derivatives strategy to achieve the investment objective:

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

4. Securities with embedded derivatives

The manager may invest in any securities with embedded derivatives permitted under the management company's business plan, notably convertible bonds, callable and puttable bonds and contingent convertible bonds.

Investment in securities with embedded derivatives is allowed within the limit of 100% of the net assets.

5. Deposits

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

6. Cash borrowings

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

7. Temporary purchases and sales of securities

None.

8. Information on financial guarantees:

In connection with over-the-counter derivative transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (Autorité des Marchés Financiers - AMF), the SICAV 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

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**

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

- **Risk associated with discretionary management**

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

- **Interest rate risk**

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

- **Credit risk**

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

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

Subordinated debt and contingent convertible bonds are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. At a certain solvency threshold, or trigger, event, the issuer may or is obliged to suspend the payment of interest and/or reduce the nominal value of the security or convert the bonds into equity. 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 are also exposed to potentially significant fluctuations in price if the issuer lacks capital or experiences difficulties.

- **Foreign exchange risk**

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

- **Liquidity risk**

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

- **Equity risk**

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

- **Counterparty risk:**

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

- **Derivative financial instrument risk**

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

- **Sustainability risk**

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

- **ESG investment risk and methodological limitations**

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

GUARANTEE OR PROTECTION

None.

ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE

All subscribers seeking to optimise their investments in fixed-income instruments.
Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this UCI.

Information on Russian and Belarusian investors

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

Information on US investors:

The UCI is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.
A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

FATCA

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

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

The amount that it is reasonable to invest in this UCI depends on each investor's personal circumstances. To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.

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

2. CHANGES AFFECTING THE UCI

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

Name:	**RC H-CHF**
ISIN code:	FR001400FC96

- **Effective date: 07/03/2023.**

The Chairman of the management company Lazard Frères Gestion SAS decided, in relation to LAZARD CAPITAL FI (ISIN code: FR0014008DD5), to clarify the Fund's investment strategy, stating that, as an exception to the 5%-10%-40% ratios, the manager may invest up to 100% of the UCI's net assets in securities guaranteed by a Member State of the EEA or the United States, provided that these securities belong to six different issues and that any single issue does not exceed 30% of the UCI's total amount.

- **Effective date: 24/03/2023.**

The Chairman of the management company Lazard Frères Gestion SAS decided, concerning **LAZARD CAPITAL FI** (ISIN code: FR0014008DD5), to implement a mechanism to cap redemption requests ("Gates").

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

3. MANAGEMENT REPORT

PERFORMANCE

Name	Perf 2023
LAZARD CAPITAL FI SRI - PVC	6,12%
LAZARD CAPITAL FI SRI - PVD	6,17%
LAZARD CAPITAL FI SRI - RC	5,45%
LAZARD CAPITAL FI SRI - RD	5,47%
LAZARD CAPITAL FI SRI - TVD	6,18%
LAZARD CAPITAL FI SRI - SC	6,58%
LAZARD CAPITAL FI SRI - SD	6,58%
LAZARD CAPIT FI SRI-PCH-PCEU	6,05%
LAZARD CAPIT FI SRI-PCH-USD	8,03%
LAZARD CAPIT FI SRI-PVCH-USD	8,18%
LAZARD CAPIT FI SRI-PCH-PDHU	8,10%
LAZARD CAPIT FI SRI-PCH-RDH	7,18%
LAZARD CAPIT FI SRI-PVCH-CHF	3,66%
LAZARD CAPITAL FI SRI RC H-CHF	1,34% since inception on 08/03/2023
LAZARD CAPITAL FI SRI-FEUR	6,49%
LAZARD CAPITAL FI SRI-F EUR	6,41%

Bloomberg Global Contingent Capital Total Return Index Hedged EUR	5,32%
Bloomberg Global Contingent Capital Total Return Index Hedged USD	7,48%
Bloomberg Global Contingent Capital Total Return Index Hedged CHF	3,04%

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

ECONOMIC ENVIRONMENT

In the United States, GDP growth accelerated to +2,9% year-on-year in Q3 2023. Job creation slowed to an average of +225 000 per month in 2023, compared with almost +400 000 in 2022. The unemployment rate rose by +0,2 points in 2023 to 3,7%. Annual hourly wage growth slowed to +4,1%. The year-on-year increase in consumer prices slowed to +3,4% and +3,9% excluding energy and food.

The Fed raised its key rate by +100 basis points in 2023, to 5,25%-5,50%, in the following sequence: three consecutive hikes of +0,25% in February, March and May, an initial pause in June and a hike of +0,25% in July. In December 2023, Jerome Powell announced the end of the rate hike cycle, while paving the way for monetary easing in 2024.

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

In the Eurozone, GDP growth was flat year-on-year in Q3 2023, with contrasting trends between countries. GDP fell by -0,4% in Germany, while rising by +0,6% in France, +0,1% in Italy and +1,8% in Spain. PMI surveys improved until the spring of 2023 before deteriorating rapidly in the summer of 2023. They then stabilised at a low level. The Eurozone unemployment rate fell by -0,3 points in 2023 to 6,4%. The year-on-year increase in consumer prices slowed to +2,9% and +3,4% excluding energy and food.

The ECB raised its key rates by +200 basis points in 2023, in the following sequence: two consecutive hikes of +0,50% in February and March, followed by four consecutive hikes of +0,25% between May and September 2023. The deposit rate was raised from +2,00% to +4,00% and the refinancing rate from +2,50% to +4,50%. In September 2023, Christine Lagarde indicated that key rates had reached sufficiently restrictive levels.

In terms of unconventional measures, in December 2022 the ECB announced a reduction in the size of its APP portfolio from March 2023. In June 2023, the ECB announced that it would end reinvestments under this programme. In December 2023, the ECB announced a reduction in its PEPP portfolio from July 2024, at a rate of -€7,5bn per month on average in the second half of 2024. Reinvestments will cease at the end of 2024.

In China, GDP growth accelerated to +4,9% year-on-year in Q3 2023. The complete lifting of health restrictions in December 2022 enabled a rebound in household consumption, but difficulties in the real estate sector hampered investment. The urban unemployment rate fell by -0,5 points in 2023 to 5,0%. The year-on-year fall in consumer prices slowed to -0,3%.

The Chinese central bank cut its key rate by 25 basis points in 2023, to 2,50%, and the reserve requirement ratio by 50 basis points to 10,50%. Xi Jinping was formally re-elected President of the Republic during the annual session of the National People's Congress in March 2023.

MANAGEMENT POLICY

The positive seasonality of January became reality at the beginning of 2023, with bond assets trending very well, both on interest rates (down by -10bp for the two-year and -28bp for the German 10-year) and on credit, with a tightening across the capital structure of banks and insurers (senior down by -4bp and -6bp, Tier 2 down by -24bp and -31bp, and AT1 down by -46bp and -52bp).

The large amount of cash in investors' portfolios and the inflows into credit more than offset the very active primary market in January. In financials, issuance volumes were 85% higher than the average of the previous five years for the same month, mainly in senior debt with the dual TLTRO and MREL objectives.
Barclays and SocGen announced a Tier 2 call without following a purely economic logic, an approach followed by the main banks for this type of instrument until now, and Sabadell also announced a call for its AT1 following a new issue, only three months after it had chosen not to repay it at the first call date.
The initial Q4 2022 earnings published by financial institutions suggest that many of them will achieve historic results, which should continue to improve in 2023.

In February, index performances were negative, mainly due to the rise in yields (+30bp to +60bp depending on the point on the yield curve) and virtually stable/slightly widening credit spreads.
The earnings season has seen many banks beat consensus expectations and report some historic results; rising interest rates are driving revenue growth, but there has been no deterioration in asset quality at this stage. This momentum is set to continue in the coming quarters. Bank shares are up +20%/+23% YTD.
The primary market was very active, with Alpha Bank issuing an inaugural AT1, the second from a Greek bank. Monte dei Paschi also returned to the market to place senior debt.
The ratings of several banks were upgraded in Italy by Moody's and in Greece by Fitch.

March 2023 was a very volatile month in which we saw the start of a US regional bank crisis with the failures of Silicon Valley Bank, Signature and Silvergate in the space of a week, followed by the forced merger between UBS and CS in which AT1 bondholders were wiped out.
This last event came as a shock, as CS was one of the 30 banks in the G-SIBs, and the Swiss government did not respect the hierarchy of the capital structure, with the AT1s entirely sacrificed to leave some money on the table for shareholders. The $16 billion write-off of CS AT1 in a market of about $200 billion of European AT1s had a significant impact on the valuation and sentiment of this segment.
We were affected by our exposure to certain CS AT1 bonds, compared with 4,0% for the fund's benchmark. We thought that, in the worst-case scenario, a merger would be achieved with UBS, but on the basis of a business agreement, and not by using a last-minute legal notice devoted to CS's AT1s.
The disproportionate market reaction to the AT1 market may disappear over time, as investors now recognise the Swiss exception compared to the rest of Europe.
The primary market was closed three out of four weeks in March.
We introduced a few changes for the Fund as of April 1st, 2023, without affecting the Fund’s investment horizon or risk level. We will improve the ESG methodology based on independent external ESG ratings (Moody's ESG Solutions and MSCI) which will not lead to any changes in the portfolio.

The financial debt market calmed down in April 2023: the excellent first-quarter results, which saw several Spanish, German and UK issuers publish record figures, and the resilience of European bank deposits eased investor wariness about the sector.
In the United States, after Signature and SVB, First Republic was finally also placed under FDIC supervision, which enabled JP Morgan to acquire the majority of the bank’s assets and some of its liabilities at a low

cost.
Several ratings or outlook upgrades were noted during the month, including Novo Banco (senior debt from B3 to Ba3, positive outlook at Moody's), BPER (from BB+ to BBB- at Fitch), Banco Sabadell and Banco Comercial Portugues (outlook from stable to positive at S&P for both).
The end of the transitional period for recognising old debt as own funds is approaching for insurers (January 2026), with NN Group, Generali, AXA, Ethias and Vienna Insurance launching liability management operations alongside new Tier 2 issues.
HSBC announced the redemption of its four Disco legacy bonds at par, for a total of around $2 billion. This redemption was not at all expected by the market, as these bonds were trading at around 72% before the announcement. Unicredit and Lloyds announced that they will redeem their AT1s on the first call date.

May was a positive month for subordinated financial credit with an outperformance of peripheral Tier 2s and AT1s.
The outperformance of Greek issuers stems from the results of the general elections and the 41% of votes won by the party currently in power, New Democracy, which according to Moody’s would mean continuity in fiscal and economic policies, which is positive for credit.

With regard to AT1, a Bloomberg article reporting on supposed EBA proposals to include dividend stopper clauses or cumulative coupons triggered a positive repricing of the asset class.
The Q1-23 publications have come to a close with results well ahead of expectations, record figures for many institutions and very reassuring messages about liquidity, bond portfolio valuations and exposure to commercial property, as well as still very positive trends in terms of future income and low cost of risk.
On the regulatory side, the ECB could become more involved in communicating liquidity requirements to banks, differentiating them according to the lender’s liquidity profile.
The ECB’s latest Lending Survey shows that Eurozone banks are continuing to tighten their lending criteria for non-financial companies, with the net tightening remaining at the highest level since the sovereign debt crisis in 2011.
The rating agencies are also moving in the same positive direction, with Caixa geral de Depositos upgraded one notch by Moody's to Baa2, Barclays upgraded one notch by S&P (Holdco to BBB+, Opco to A+) and Deutsche Bank given a positive outlook by the same agency.
On the other hand, S&P downgraded UK mutual insurance company Liverpool Victoria to BBB (stable outlook) and lowered the outlook for the Icelandic bank Arion Bank to negative (rating maintained at BBB)
The primary market largely reopened in almost all segments, with €40 billion issued, including more than €7 billion in the Tier 2 segment including Allianz, Société Générale, BPCE, Caixabank, Santander and Novo Banco. On the Tier 1 side, DZ Bank issued an AT1 via its network and the insurer Royal London issued an RT1.

In June, the Fed left its key rates unchanged, the ECB raised them by 0,25% and the BoE by 0,50%, whereas the market was expecting half that.
The five largest Italian banks repaid €126bn in TLTROs in June. Meanwhile, the ECB allocated €4,3bn to 29 banks as part of its three-month long-term refinancing operation, the largest since April 2020, according to Bloomberg.
In the AT1 segment, the primary market reopened without any difficulties with BBVA and Bank of Cyprus.
In other segments, the market was active with Abanca, BVBA, Commerzbank, DNB, Société Générale, Allianz and Achmea in Tier 2. On the Senior side, a number of banks came to top up their MREL buffers, notably Eastern European institutions such as Raiffeisen’s Croatian subsidiary, Erste’s Czech subsidiary and Slovenia’s Nova KBM and Nova Ljubjanska.
In Legacy bonds, after HSBC at the end of March, Barclays and Standard Chartered announced their intention to redeem their outstanding Discos bonds at the next call date, in connection with the coupon structure linked to USD Libor, which will soon disappear even if it is replaced by a synthetic Libor. Bank of Ireland announced a takeover bid for former preferred shares at a premium of between +9pp and +20pp. Aviva launched a consent offer to convert a Legacy bond into a fully Solvency 2 compliant bond in return for a 16% commission.
In terms of ratings, Fitch maintained MAPFRE at A+ with a stable outlook, placed Virgin Money's BBB+ rating on positive outlook and raised Sabadell's outlook to positive, while confirming its BBB- rating.

Moody's placed 11 Austrian banks on credit watch with a view to upgrading their deposit, issuer and senior unsecured bond ratings, including Erste Bank and RBI. The agency also upgraded Caixa geral de Depositos' BCA (Baseline Credit Assessment) to Baa2 (from Baa3), and the bank's Tier 2 joined the IG universe at Baa3 (from Ba1), with the outlook for the bank remaining positive.
S&P announced that it had upgraded Cajamar's rating to BB+ (from BB) with a stable outlook and confirmed RBI's rating at A-, maintaining the outlook at negative, while lowering the AT1 rating by one notch to BB. All three Irish banks were upgraded one notch by S&P with a stable outlook.

The agency downgraded the rating of UK mutual insurer Liverpool Victoria from BBB+ to BBB with a stable outlook, and its Tier 2 rating to BB+.
Following the European Court of Justice's ruling on June 15th, BCP's Polish subsidiaries Bank Millenium and Commerzbank's subsidiary mBank announced additional provisions for Q2 2023, while forecasting a net profit for the current quarter for BCP and a net profit in 2023 well above that of 2022 for mBank.
On the M&A front, Generali announced an agreement to acquire Liberty Seguros SA for €2,3 billion to strengthen the Group's P&C business in Spain and Portugal and to enter the Irish and Northern Irish markets, with an estimated impact on SCR of -9,7 points (1Q23 = 227%).
HSBC Continental Europe signed a new Memorandum of Understanding relating to certain potential changes to the terms of the sale of its retail banking business in France to My Money Group.
Svenska Handelsbanken will sell its retail and SME banking and life insurance businesses in Finland for €1,3 billion to local players.

In July, the Fed and ECB both raised rates by 25 basis points, but remained coy about their future actions, which will be data-dependent.
After the publication of good macroeconomic figures, yield curves steepened, with the short end tightening slightly, in the hope that the main central banks had made their last rate hike.
Financial spreads tightened in July, as expected, due to a lack of supply, very good earnings releases for Q2-23 and excessively cautious positioning on the part of investors. Senior bonds tightened by -17 basis points, Tier 2 IG bonds by -33 basis points, while AT1 bonds tightened by -38/-39 basis points. Since the start of the year, all spreads in the capital structure have tightened, including AT1s for the first time since the events of March.
The Q2 2023 earnings release season went very well, with numerous increases and upward guidance revisions, both in terms of higher revenues (net interest income) and lower cost of risk.
Banks posted exceptional results for the second quarter of 2023. BBVA posted a ROTE of 16,9% in the first half of the year. Caixabank and AIB posted ROTEs of around 12% and 20%, respectively. Danske Bank saw its net profit double from the previous year (+124%) and its net interest income rise by 45%. Caixa Geral de Depositos recorded a +128% rise in net interest income and a +25% increase in profits.
Primary market activity was high for a month of July, with over €8,5 billion issued. The 2023 funding plans are 75-80% complete. Spanish bank Abanca launched a tender offer for its old AT1 bonds at par, enabling it to redeem them four months before the first call date, at the same time issuing €250 million of AT1 bonds with a coupon of 10,625%. This was the third issue of an AT1 since CS.
Lloyds announced the redemption of a Tier 2 bond on the first call date despite a small reset at ms+130bp, a positive signal for Tier 2s, and another illustration of the fact that most issuers will continue to redeem their Tier 2s regardless of purely economic factors on the first call date. Bank of Cyprus, which reopened the AT1 market in June, issued €300 million of PS 5NC4 debt with a coupon of 7,375% or MS+410bp to meet its MREL requirements.
Barclays, BBVA and Caixabank announced the call of their AT1s. Barclays announced the call of its dollar-denominated AT1: there had been some uncertainty about the call of this bond, despite Barclays' large AT1 capital surplus. Santander has not yet announced the repayment of its AT1, which matures in September, but should ideally refinance it.
The rating agencies continue to raise their credit ratings. At Fitch, Deutsche Bank was finally upgraded from BBB+ to A- with a stable outlook, Société Générale's outlook was upgraded from stable to positive, and Banco Montepio was moved up one notch from B to B+, with a double upgrade of its PS debt from B- to B+. Finally, Fitch upgraded Bank of Ireland's ratings by one notch, taking its Opco Senior from BBB+ to A-, its Holdco Senior from BBB to BBB+, its Tier 2 from BB+ to BBB- and its AT1 from BB- to BB. BKIR retains a stable outlook and the most significant impact concerns Tier 2, which now qualifies for the IG indices (Baa2/BB+/BBB-).
The ECB decided to pay 0% interest on the minimum reserves that banks in the Eurozone must hold, whereas the deposit facility rate has been 3,5% until now. The loss of revenue will represent around €6 billion on an annual basis.

However, the 25 basis point increase in the deposit facility rate from 3,50% to 3,75% will add €9 billion in extra income for banks from the €3,6 trillion stock of excess liquidity.
The EBA and the ECB presented their conclusions on the stress tests applied to European banks: the results are used by the ECB to assess the requirements and guidelines of the second pillar (P2R and P2G) and the unrealised losses on the amortised cost (AC) bond portfolio amounted to €75 billion in February 2023, taking into account €38 billion in hedging gains.

Rates were volatile in August, fluctuating between rising and steepening on the back of better macroeconomic figures before falling after weaker figures at the end of the month. The dollar yield curve steepened, while the euro yield curve remained stable.
Spreads widened in August, retracing some of the tightening seen in July. The main explanations were

illiquidity and the reduction in traders' portfolios in anticipation of the forthcoming primary season. Senior bonds widened by +11bp and Tier 2 IG bonds by +19bp, while AT1s widened by +25/+31bp. Since the beginning of the year, spreads have been more or less stable, with the exception of AT1s, which are still a little wider.
The sovereign rating of the United States was downgraded by Fitch from AAA to AA+, while Greece returned to the IG category. Scope was the second rating agency to put Greece back into the Investment Grade category, after the Japanese rating agency R&I.
The Q2 2023 earnings release season is drawing to a close, with a raft of upward guidance revisions, both in terms of higher revenues (net interest income) and lower cost of risk.
Greek and Italian banks all have a ROTE > 10% and closer to 15% on average. Cypriot banks all have a ROTE > 20%.

Banco BPM posted a net profit of €624 million (+78% year-on-year) for the first half of FY23 and revised upwards (once again) its net profit forecast for FY2023 from €1,14 billion to >= €1,2 billion. Its net interest income (NII) rose by +49% year-on-year in the first half of the year. Its cost of risk is at a 10-year low of 48bp. The bank is expected to generate a ROTE of 12% in 2023. BPER is following the same trends: its net profit for Q2 2023 was the best in its history at €414 million thanks to a higher NII (+13% QoQ), a low cost of risk at 61bp and revised forecasts for FY 2023 both in terms of revenues (higher NII) and net profit (€1,1 billion for 2023).
The Italian government is introducing an exceptional one-year tax on banks, with a 40% levy (non-tax-deductible) on the higher of net interest income (NII) for 2022 and 2021 - where the difference exceeds 5%, or on the difference in NII between 2023 and 2021 if it exceeds 10% - capped at 0,1% of total assets.
Crédit Agricole reported an underlying ROTE of 14,7% in the first half of 2023, net profit of €3,3 billion at holding level (+48% year-on-year) and €4,2 billion at Group level (+10% year-on-year). Crédit Agricole is to take a majority stake in Degroof Petercam, which will cost -30bp in CET1.
UBS announced the best quarterly results of any bank in the world, with a net profit of $29 billion, all of which would come from the recognition of badwill following the purchase of CS.
Abanca, BBVA, Barclays, SocGen, HSBC (two bonds) and Caixabank all announced the call on the first call date of their AT1s. These calls will return around €7 billion in liquidity to investors over the coming weeks. On the other hand, Santander decided not to redeem its AT1 on the first call date and the coupon on its bond will rise from the current 5,25% to around 8,25% by the end of September.
A lot of issues in August, which suggests that September will be a busy month (as it is every year). There were €32 billion of new issues by financials (including covered bonds). In the AT1 segment, there were three new issues by BNPP in $, KBC and Intesa in € (coupons of 8,5%, 8% and 9,125% respectively) for a total amount of €3,5 billion.

Volatility rose again at the end of September on the sovereign bond market, with € and $ yields rising sharply over the month, across all maturities and with a steepening of yield curves, while short rates fell in £ and rose sharply in maturities over 30 years. These movements followed central bank meetings, with the Fed and BoE leaving their rates unchanged, while the ECB hiked its rates by +25bp, taking the € deposit rate to 4%.
Over September, spreads tightened on Senior (-5bp) and Tier 2 (-5bp), and widened on AT1 (+18bp AT1, +27bp AT1€), with performances slightly negative over the month mainly due to the interest rate effect.
We saw a huge number of ratings upgrades over the month, starting with Greece on the sovereign side, which was upgraded from BBH to BBBL by DBRS and then by Moody's by two notches to Ba1, a level below Investment Grade, with a stable outlook.

The country is now rated BB+ (stable outlook) by Fitch, BB+ (positive outlook) by S&P, BBBL by DBRS and Ba1 (stable outlook) by Moody's. Moody's upgraded Cyprus's rating by two notches, allowing the country to enter the agency's IG universe with a Baa2 rating and a stable outlook. DBRS also upgraded the country's rating the same day, from BBB to BBBH (high), also with a stable outlook. Cyprus is now rated IG by all the major rating agencies.
S&P placed Portugal's BBB+ rating on positive outlook due to the positive development of the economy and the reduction in public debt, while Fitch upgraded the country's rating by one notch to A- with a stable outlook, citing the clear improvement in debt and the fiscal discipline of the current government, with a projected debt/GDP level of around 104% by 2023.
The ratings of banks in these countries were also automatically upgraded. Fitch and Moody's upgraded the ratings of Greek banks by between one and two notches, thanks to a resilient economy and improving fundamentals. The main banks now have an average BB rating from the three main rating agencies. The new ratings include a stable outlook from Fitch and a positive outlook from Moody's. In Portugal, S&P raised BCP's rating by one notch, from BB+ to BBB-, and its outlook is now stable. Fitch upgraded the rating of Caixa Geral de depositos from BBB- to BBB and Banco Comercial Portugues (BCP) from BB+ to BBB-. BCP is now rated IG by S&P, Fitch and Moody's.

On the issuer side, Norwegian insurer Storebrand was upgraded by Moody's by one notch, from Baa2 to Baa1 at Holdco level and from A3 to A2 at Opco level. Fitch upgraded OSB Group's rating from BBB to BBB+ following the issue of Senior Holdco debt, Axa's rating from A+ to AA- (stable outlook), Crédit Mutuel Arkea's rating from A- to A+ and Danske Bank's long-term issuer rating (IDR) from A to A+
Only one downgrade was recorded during the month: Moody's downgraded Direct Line from A1 to A2 with a stable outlook. This reflects Moody's view that Direct Line will not return to historical profitability in the medium term, as well as concerns about its governance.

Danish bank Sydbank raised its forecast for 2023, with profits after tax expected to be between DKK 2 900 million and DKK 3 200 million (compared with DKK 2 600 million to DKK 2 900 million previously). Commerzbank also raised its forecast for net interest income to €8 billion in 2023, as the increase in deposit beta is slower than initially expected. The previous forecast, published last month at the time of the second-quarter results, was €7,8 billion. The company also stated that it was likely to generate net income of €2 billion for the year.
SocGen's (expected) Capital Market Day was given a cool reception by the equity market, with sell-side analysts disappointed by the new plan's lack of ambition and targets. However, the plan seems rather positive for bondholders, with a higher capital target (13% CET1) and a reasonable distribution target (40-50%).
In Italy, the local press reported that the tax on windfall profits could be mitigated, with banks able to 'waive' the levy if they choose to increase their capital instead. In so doing, the banks would retain the capital (instead of paying it to the government) at the cost of reducing their distributable profits. Most banks will probably pay less than initially expected, with the exception of Mediobanca. In addition, the government would like to sell a 15% stake in Monte dei Paschi in the near future, which would contribute to privatising the bank by reducing the State's stake to 49%. The bank's CEO has stated that his bank could choose not to pay the banking tax and to increase its reserves. Intesa Sanpaolo received authorisation to sell or transfer its assets in Russia. As a reminder, the Russian authorities must approve any sale of foreign assets, which could take place at a minimum discount of 55%.
Measures to support households continue in Europe, with Poland extending its mortgage moratoria for the whole of 2024, while adding income criteria that will prevent borrowers who do not need it from receiving help. In Portugal, the government announced that customers could ask banks to reduce the Euribor rate by 30% for mortgages, with the aim of helping troubled borrowers over the next two years.
Dutch insurers were hit by a ruling by the Court of Appeal in The Hague concerning claims of mis-selling of unit-linked products dating back decades. It concluded that the charges levied on policyholders were unfair and that better disclosure of costs was needed. The Dutch insurers concerned are NN Group, ASR Nederland, Achmea and Athora. NN and ASR immediately announced that they would appeal against this decision.
In the subordinated primary market, in AT1 we had BBVA (second of the year, refinancing) for a coupon in $ of 9,375%, Erste Bank in parallel with a tender at par on its AT1 redeemable in May 2024 with a coupon in € of 8,50%, and in Tier 2 we had National Bank of Greece with a coupon of 8% and BayernLB with a coupon of 7%. Vontobel announced that it had issued $400 million of AT1 bonds to finance the repayment of CHF450 million of outstanding AT1s via a private placement with Apollo.

Financial credit recorded a positive performance in October, mainly due to the effect of the fall in short and intermediate rates in euros (rates in other currencies ended the month higher). Credit spreads were at best flat, at worst a little wider over the month, with non-euro At1s underperforming, mainly due to interest rate movements.
Unsurprisingly, the ECB left rates unchanged at its October meeting, but there was no mention of an increase in the rate of minimum reserves (currently non-interest-bearing) or of a possible start to QT on the PEPP.
Banks' initial results for the third quarter remained good overall, with returns on equity of between 8% and >20%. However, some results were less well received by the equity market, particularly in the United Kingdom where the rise in deposit rates had a greater impact on net interest income. For the time being, the commercial real estate crisis in Sweden is having no visible effect on the country's banks.
Taxing banks' windfall profits seems to be in vogue, with Ireland seeking to increase the bank levy from €87 million to €200 million in its 2024 budget, without giving further details. This could represent 6% to 6,5% of the net profits of banks such as AIB or Bank of Ireland. Belgium wants to increase banking taxes by €150 million and abolish tax deductibility. On the other hand, the new Italian banking tax that was finally passed by parliament will probably cost most of them virtually nothing, as they will probably choose to strengthen their capital buffers rather than pay it, as already indicated by Unicredit, Intesa, Mediobanca and Monte dei Paschi.

In Poland, the pro-EU opposition party, led by the former President of the European Council Donald Tusk, created a surprise in the parliamentary elections by being in a position to form a majority, after eight years in power of the current Law and Justice party. This would enable the country to adopt a more favourable approach to the EU and unlock more than €35 billion in European grants.

A number of rating upgrades were announced during the month, with S&P upgrading Greece's IG rating from BB+ to BBB- with a stable outlook, and maintaining Italy's stable outlook.
After upgrading its sovereign rating a fortnight ago, Moody's raised the long-term deposit ratings of Bank of Cyprus and Hellenic Bank by two notches, from Ba1 to Baa3, with a positive outlook. The agency also upgraded Sabadell's PS debt rating from Baa3 to Baa2, with a stable outlook.
In France, Fitch downgraded BPCE to A from A+ with a stable outlook, but confirmed Crédit Agricole's rating at A+ with a stable outlook, underpinned by a more diversified business model, low risk appetite and very solid capitalisation. S&P raised the rating of La Banque Postale's subordinated bonds by two notches, while the bank's rating remained unchanged at A+ with a negative outlook (NPS from BBB- to BBB+, Tier 2 from BB+ to BBB- and AT1 from BB- to BB+), mainly thanks to the integration of CNP Assurances, which is now a wholly-owned subsidiary of LBP.
LMEs continue on insurers' legacy securities, with Swiss Re and Credit Agricole announcing offers to buy back grandfathered securities.
Metro Bank was under pressure after Fitch placed the bank's rating on negative watch. Metro Bank was launched in 2010 as a 'challenger bank' that wanted to 'disrupt' the banking sector through the quality of its services with a network of brick-and-mortar retail branches. Despite some success in the early days, it was never able to make money, mainly because of a large cost base. The ambitious restructuring plan proposed by management, including a contribution from shareholders and Tier 2 creditors, was nevertheless accepted by bondholders, offering relative stability to the bank's securities.
Raiffeisen Bank International called an EGM to pay a dividend of €263 million, which it had postponed in March due to uncertainty over Russia.

UBS announced a first-date, non-economic call on its SGD-denominated AT1. The bank is expected to issue an AT1, probably in $, by the end of the year.
The primary market was quiet in October, as is the case every year at this time, with financing programmes already largely completed for 2023. That said, there was a number of pre-financing transactions for 2024. New issuers such as Montepio in Portugal and MBH in Hungary made their inaugural issues of MREL debt.

November was one of the best months on record in terms of bond asset performance, helped by a double downward movement in yields (from -20 to -41bp on the Euro curve, from -41 to -60bp on the dollar curve and a drop in spreads with a tightening of risk premiums in the capital structure. Despite an extremely abundant primary market in this segment, AT1 spreads significantly outperformed the rest of the market, falling from -90bp to -112bp over the month, compared with -12bp for senior debt and -37bp for Tier 2s. Financial debt outperformed Tier 2s by +2,5% and AT1s by +4,5%.

In the primary market, we saw a large number of pre-financing issues on AT1s (sometimes with a tender announced at the same time), with Barclays, Socgen, Santander and above all UBS issuing for the first time in this market since the CS takeover, with the Swiss bank attracting $36 billion in the order book for $3,5 billion issued. Smaller issuers also entered the AT1 market with Virgin Money, Close Brothers and Banco BPM.
The earnings release season is largely over, with the banks once again reporting very solid results as has been the case throughout 2023. Examples include BBVA, which posted a ROTE of 17% in 9M23, AIB, which is aiming for a ROTE >20% in 2023, Intesa, which published its best results for the first nine months with net profit of €6,1 billion, and BCP, which increased its net profit 7-fold from 2022, to €651 million.
The Swiss National Bank, like the ECB, will stop paying interest on minimum reserves, which could have a -2% impact on profits. On the other hand, the Swiss authorities and the banks, including UBS, are said to be discussing new measures to prevent massive outflows of deposits.
We saw a number of ratings upgrades again in November, starting with the Cypriot banks and Fitch upgrading Hellenic Bank to BB+ (from BB-) with a stable outlook and Bank of Cyprus to BB (from B+) with a positive outlook, reflecting the combination of the improved operating environment in Cyprus and the continued improvement in issuers' credit profiles. On the sovereign front, Moody's raised Portugal's rating by two notches with a stable outlook (from Baa2 to A3), as well as raising the ratings of local banks by one notch for Caixa Geral de Depositos and BCP, and by two notches for Novo Banco and Montepio.
The good news also concerns Italy, with Fitch confirming the country's BBB rating, still with a stable outlook, and Moody's confirming its Baa3 rating but upgrading its negative outlook to stable.

Consequences for banks following Moody's upgrade: those with a negative outlook now have a stable outlook again, and Intesa Sanpaolo's Tier 2 rating was raised from Ba1 to Baa3 (IG), on the other hand, Unicredit's Tier 2 rating was downgraded from Baa3 to Ba1 (surprisingly, due to a reduction in the amount of AT1), Banco BPM's senior debt rating was upgraded from Ba1 to Baa2 and Monte dei Paschi's rating was upgraded by one notch from B1 to Ba3 and by two notches by Fitch (from BB+ to BB). For the first time, S&P rated Banco BPM, which reached the IG universe with a BBB- rating and a positive outlook on senior debt.
Among insurers, S&P upgraded Crédit Agricole Assurances from A to A+ and its Tier 2 debt from BBB to BBB+,

and Sogecap from BBB+ to A- and its hybrid debt from BBB- to BBB. This follows a review of the criteria for analysing insurers, for which S&P listed 63 names that could potentially be impacted (upwards, downwards or with no impact) by this change in methodology.
The Legacy universe continues to shrink irreparably, with Deutsche Bank launching a buyback offer on two Legacy securities at a premium of +7/+8pp to the secondary market and DNB deciding to redeem all its "disco" bonds, constrained by the legislative proposal published by the Ministry of Finance, which ultimately does not allow the bank to retain them easily as part of the implementation of a resolution plan. In Italy, the Italian Ministry of Finance (MEF) sold 25% of its stake in Monte dei Paschi for €920 million, reducing it to just under 40%. In addition, the local supervisor has revised the size of the buffers and the O-SII (Other Systemically Important Institutions) requirements upwards for the main banks, with the exception of Monte. UniCredit is no longer designated as a Global Systemically Important Bank (G-SIB) by the Financial Stability Board.
In Greece, the government sold its 9% stake in Alpha Bank to Unicredit and 22% of the capital of National Bank of Greece on the open market.
Spanish bank Abanca is to take over the whole of Portuguese bank EuroBic, according to a press release on the company's website. This will triple the bank's presence in Portugal, making it one of the country's leading banks, with more than 300,000 customers.
Metro Bank's investors supported the announced capital increase, with 90% of shareholders agreeing to the £150 million amount. Following this announcement, Fitch confirmed the bank's rating at B, removed the rating watch and added a positive outlook.
In the Netherlands, ASR will enter into an agreement with customers in connection with Aegon and ASR for €250 million, in the context of unit-linked disputes. The agreement will become final when 90% of the customers concerned accept the settlement, but the company is very confident about the outcome.

December was a very positive month, with performances ranging from +1,9% for insurance senior debt to +4,6% for euro-denominated AT1s. This positive performance was due both to a downward movement in interest rates (around -40bp in euros and dollars, across all maturities) and to narrower spreads, with senior bank debt tightening by -6bp, IG-rated Tier 2 by -33bp and AT1s by -65bp to -90bp.
This rally was fuelled by the latest central bank meetings in 2023, with Jerome Powell mentioning that they had discussed possible future rate cuts in 2024.

The ECB and the BoE were more cautious on the outlook for interest rates, making no mention of future cuts, despite the fact that both economies are in a gloomier situation. Preliminary CPI figures for December in various jurisdictions also helped to fuel the rally in rates.
In the primary market, new issues were very limited, with €6,6bn issued during the month for financials. Nevertheless, the banking syndicates are already actively preparing for January, which is likely to be very active, not only due to seasonality, but also due to attractive yields for issuing new bonds after the rally in rates and spreads mentioned above.
December saw a number of ratings upgrades, with Fitch raising Greece's IG rating to BBB- and giving a positive outlook to all Greek banks. S&P upgraded them by one notch, except for Alpha Bank, which was given a positive outlook. Cypriot banks were also upgraded by one notch by S&P. In Iberia, Moody's upgraded Ibercaja's rating by one notch from Baa3 to Baa2. Montepio was upgraded two notches by DBRS to BB. Deutsche Bank was upgraded one notch by S&P to A from A-. Irish banks were placed on positive outlook by Fitch.
Santander announced a call on the first call date of an AT1 in dollars callable in February 2024.
On the Legacy front, NIBC launched a takeover bid to reduce its stock of Legacy instruments. BNPP finally decided to buy back the last outstanding Tier 2 Disco instrument, following the example of all the other banks. In the UK, Apollo is said to be examining the potential purchase of the consolidator of bulk annuities, Pension Insurance Corp, which could be valued at £5 billion. Coventry Building Society agreed to buy the Co-operative Bank for £700 million. Raiffeisen Bank International has announced a transaction that will enable it to repatriate 1,45 billion in capital from its Russian subsidiary at a cost of -10bp of CET1, but which will increase the CET1ratio by +120bp at group level, excluding Russia, thereby reducing its risk profile.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EURO SHORT TERM MONEY MARKET "C	395 749 513,73	439 921 529,54
LAZARD EURO MONEY MARKET "B	94 963 234,95	103 672 061,40
BQ POSTALE ZCP 03-04-23	54 986 940,60	55 000 000,00
BFCM BANQ FEDE CRE ZCP 03-04-23	54 986 940,60	55 000 000,00
BK IRELAND GROUP 6.0% PERP	15 773 795,30	31 955 518,99
ALPHA SERVICES AND 11.875% PERP	34 613 253,53	5 709 267,20
DEUTSCHE BK 10.0% PERP	16 832 367,13	20 268 840,05
BARCLAYS 9.25% PERP	26 028 651,86	10 789 663,32
LEASEPLAN CORPORATION NV 7.375% PERP		34 008 646,74
BANCO DE SABADELL FL.R 17-23 23/02Q		33 600 000,00

4. REGULATORY INFORMATION

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

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

• Exposure through efficient management techniques: None.
o Securities lending:
o Securities borrowing:
o Repurchase agreements:
o Reverse repurchase agreements:

• Underlying exposure through derivative financial instruments: 407 263 642,02
o Currency forwards: 407 263 642,02
o Futures:
o Options:
o Swaps:

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

Efficient portfolio management techniques	Derivative financial instruments (*)
	BNP PARIBAS FRANCE CACEIS BANK LUXEMBOURG CITIGROUP GLOBAL MARKETS EUROPE AG J.P.MORGAN AG FRANKFURT

(*) Excluding listed derivatives.

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

Instrument type	Amount in the currency of the portfolio
Efficient portfolio management techniques	
. Term deposits	
. Equities	
. Bonds	
. UCITS	
. Cash (*)	
Total	**None**
Derivative financial instruments	
. Term deposits	
. Equities	
. Bonds	
. UCITS	
. Cash	1 930 000,00
Total	**1 930 000,00**

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

d) Operating income and expenses related to efficient management techniques

Operating income and expenses	Amount in the currency of the portfolio
. Income (*)	115 013,29
. Other income	
Total income	**115 013,29**
. Direct operating expenses	16 648,86
. Indirect operating expenses	
. Other expenses	
Total expenses	**16 648,86**

(*) 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

BROKERAGE FEES

Information about brokerage fees is available on the website: www.lazardfreresgestion.fr.

EXERCISING VOTING RIGHTS

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

DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA

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

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

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

Our overall approach can be summarised as follows:

✓ Rigorous financial analysis of the company covering the quality of assets, financial soundness, projected cash flows and their reinvestment by the company, the strength of economic profits, profit durability, and quality of management.

✓ This durability is strengthened by incorporating non-financial criteria:
  - Social criteria: through the development of human capital.
  - Environmental criteria: through the prevention of all environmental risks.
  - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

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

Information on ESG criteria is available on the website: www.lazardfreresgestion.fr.

SFDR AND TAXONOMY

Article 8

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

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

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

METHOD USED TO CALCULATE GLOBAL RISK

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

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 year ended December 29th, 2023 by the management company to its personnel identified as eligible for the UCITS and AIFM regulations can be obtained on request by post from the legal department of Lazard Frères Gestion and is 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 financial and non-financial risks, as well as 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.

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 31/12/2023: Fixed-term and permanent contracts of LFG, LFG Luxembourg and LFG Belgique (therefore excluding interns and apprentices and excluding LFG Courtage)

Headcount at 31/12/2023 LFG - LFG Belgique - LFG Luxembourg	Fixed annual remuneration in 2023 in €	Variable remuneration for 2023 (cash paid in 2024 and deferred compensation allocated in 2024) in €
215	22 350 834	30 080 401

"Identified employees"

Category	Number of employees	2023 aggregate fixed and variable remuneration (annual salaries and cash and deferred bonuses)
Senior management	3	5 094 000
Other	60	29 390 304
Total	**63**	**34 484 304**

Note: the amounts are stated excluding charges

OTHER INFORMATION

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

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

www.lazardfreresgestion.fr

5. CERTIFICATION BY THE STATUTORY AUDITOR

mazars

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

FCP LAZARD CAPITAL FI SRI

Statutory auditor's report on the annual financial statements

Financial year ended December 29th, 2023

Mazars
Accounting and auditing public limited company governed by an executive board and a supervisory board
Registered office: 61, rue Henri Régnault - 92400 Courbevoie
Capital of €8 320 000 - Nanterre Trade and Companies Register no. 784 824 153

FCP LAZARD CAPITAL FI SRI
25 rue de Courcelles
75008 Paris, France

Statutory auditor's report on the annual financial statements

Financial year ended December 29th, 2023

To the unitholders of the FCP LAZARD CAPITAL FI SRI,

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 CAPITAL FI SRI, as a French open-end investment fund (*fonds commun de placement - FCP*), for the financial year ended December 29, 2023.

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

Basis of our opinion

Audit standards

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

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

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from 31/12/2022 to the date of issue of our report.

Basis of our opinions

In accordance with the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you that the most important assessments we carried out, in our professional judgement, focused on the appropriateness of the accounting principles applied, notably with regard to the financial instruments in the portfolio, and the overall presentation of the financial statements in accordance with the chart of accounts for open-end collective investment undertakings.

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

Specific verifications

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

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

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

It is the management’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 fund's capacity to continue operating as a going concern, to present in its financial statements, where necessary, information concerning business continuity, and to apply the accounting conventions of a going concern, unless it is planned to liquidate the Fund or terminate its activity.

The management company 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. 821-55 of the French Commercial Code (Code de commerce), our audit assignment does not consist in guaranteeing the viability or quality of the management of the FCP.

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

- it identifies and assess the risks that the annual financial statements may contain material misstatements, whether from fraud or error, defines and implements audit procedures to resolve these risks, and collects all elements deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than that resulting from an error because fraud may involve collusion, falsification, deliberate omissions, false statements or by-passing of internal controls;

- it takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the efficiency of the internal control;

- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, and the related information provided in the annual financial statements;

- it assesses the appropriateness of the management company's application of the accounting policy for a going concern and, based on the information collected, whether there is a significant uncertainty linked to events or circumstances that is likely to call into question the Fund's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the accounts;

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

The statutory auditor

Mazars

Signed at Courbevoie, date of electronic signature
Document authenticated and dated by electronic signature

DocuSigned by:

[signature]

F03E23C213CF452..

15/04/2024

Gilles Dunand-Roux

6. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 29/12/2023 in EUR

ASSETS

	29/12/2023	30/12/2022
NET NON-CURRENT ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	**1 124 780 456,45**	**1 178 719 419,26**
Equities and similar securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Bonds and similar securities	**1 071 332 351,12**	**1 073 537 881,63**
Traded on a regulated or equivalent market	1 071 332 351,12	1 073 537 881,63
Not traded on a regulated or equivalent market		
Debt securities		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	**53 448 105,33**	**104 415 511,22**
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	53 448 105,33	104 415 511,22
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
Temporary securities transactions		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
Forward financial instruments		**766 026,41**
Transactions on a regulated or equivalent market		766 026,41
Other transactions		
Other financial instruments		
RECEIVABLES	**409 904 364,79**	**303 014 176,02**
Currency forward exchange transactions	407 263 642,02	293 110 889,09
Other	2 640 722,77	9 903 286,93
FINANCIAL ACCOUNTS	**6 249 065,59**	**13 012 892,14**
Cash and cash equivalents	6 249 065,59	13 012 892,14
TOTAL ASSETS	**1 540 933 886,83**	**1 494 746 487,42**

LIABILITIES AND SHAREHOLDERS' EQUITY

	29/12/2023	30/12/2022
SHAREHOLDERS' EQUITY		
Share capital	1 201 650 758,58	1 140 922 506,74
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)	397,31	667,16
Net capital gains and losses for the year (a, b)	-133 803 199,37	-1 067 166,72
Net income for the year (a, b)	59 887 002,82	58 144 601,54
TOTAL SHAREHOLDERS' EQUITY*	**1 127 734 959,34**	**1 198 000 608,72**
** Sum representing the net assets*		
FINANCIAL INSTRUMENTS		**766 026,24**
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments		766 026,24
Transactions on a regulated or equivalent market		766 026,24
Other transactions		
LIABILITIES	**413 198 927,49**	**295 979 852,46**
Currency forward exchange transactions	408 723 535,22	287 795 916,94
Other	4 475 392,27	8 183 935,52
FINANCIAL ACCOUNTS		
Bank overdrafts		
Borrowings		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1 540 933 886,83**	**1 494 746 487,42**

(a) Including accrued income
(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS OF 29/12/2023 in euros

	29/12/2023	30/12/2022
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets		
Futures contracts		
FV CBOT UST 5 0323		14 258 245,13
LIFFE LG GILT 0323		16 889 264,58
EURO BOBL 0323		263 215 500,00
Commitments on OTC markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

INCOME STATEMENT AS OF 29/12/2023 in euros

	29/12/2023	30/12/2022
Income from financial transactions		
Income from deposits and financial accounts	528 791,26	78 662,56
Income from equities and similar securities		
Income from bonds and similar securities	77 703 425,98	69 462 467,47
Income from debt securities		
Income from temporary purchases and sales of securities	115 013,29	4 125,32
Income from forward financial instruments		
Other financial income		
TOTAL (1)	**78 347 230,53**	**69 545 255,35**
Expenses related to financial transactions		
Expenses related to temporary purchases and sales of securities	16 648,86	19 007,15
Expenses related to forward financial instruments		
Expenses related to financial liabilities	19 061,09	22 808,56
Other financial charges		
TOTAL (2)	**35 709,95**	**41 815,71**
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	**78 311 520,58**	**69 503 439,64**
Other income (3)		
Management fees and depreciation and amortisation (4)	10 526 421,67	11 960 932,99
NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	**67 785 098,91**	**57 542 506,65**
Income adjustment for the financial year (5)	-7 898 096,09	602 094,89
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	**59 887 002,82**	**58 144 601,54**

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.
Valuation rules may be specific for dated UCIs. The UCI will be valued at the ask price during the subscription period and at the bid price once it is closed.

Marketable securities:

- **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 value for which the management company is responsible. These estimates and their supporting documentation will be provided to the statutory auditor during audits.

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

- **Negotiable debt securities:**

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

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

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

- **UCIs:**

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

- **Temporary purchases and sales of securities**

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

- **Futures and options**

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

Financial instruments and securities not traded on a regulated market
All of the UCI's financial instruments are traded on regulated markets.

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

Management fees
Management fees are calculated on each valuation day.
The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) using the following formula:

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

These amounts are then recorded in the UCI's income statement and paid in full to the management

company. The management company pays the UCI's operating fees including for:
. financial management;
. administration and accounting;
. custody services; other operating costs:
. statutory auditors' fees;
. legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

Fees charged to the UCI	*Basis*	*Units*	*Maximum rate (incl. taxes)*
Financial management fees	Net assets	RVC EUR	1,715%
		RVD EUR	1,715%
		PVC EUR	0,965%
		PVD EUR	0,965%
		PC H-USD	1,250%
		PVC H-USD	0,965%
		PVC H-CHF	0,965%
		TVD EUR	0,965%
		SC EUR	0,700%
		SD EUR	0,700%
		PVD F EUR	0,70%
		PVC F EUR	0,70%
		PC EUR	1,20%
		PD H-USD	1,25%
		RD H-USD	2,00%
		RC H-CHF	2,00%
Operating and other service fees	Net assets	Applied to all units	0,035%
Indirect charges (management fees and expenses)	NA	Applied to all units	None
Turnover commission (0 to 100% received by the management company and 0 to 100% received by the custodian)	Maximum charge on each transaction	Applied to all units	None
Performance fee	Net assets	RVC EUR, RVD EUR, PVC EUR, PVD EUR, PVC H-USD, PVC H-CHF, TVD EUR, PVD F EUR, PVC F EUR	15% of the Fund's outperformance relative to the benchmark index
		PC H-USD, SC EUR, SD EUR, PC EUR, PD H- USD, RD H-USD, RC H-CHF	None

Retrocessions received on management fees or entry charges
The method used to calculate retrocession amounts is set out in the sales and marketing agreements.
- If the amount is significant, a provision is recognised in account 61719.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

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

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

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

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

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

Crystallisation
The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months.
The first crystallisation period will end on the last day of the financial year ending on 30/12/2022.

SWING PRICING
Method related to swing pricing adjustments to net asset value (NAV) with a trigger level
In order to protect the Fund's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Fund's outstandings, which may generate costs for shareholders entering and leaving the Fund that would otherwise have been allocated across all shareholders in the Fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of Fund units 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 Fund, the NAV must be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each unit 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 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 2,5% of the NAV. 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.

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Net income:

net income plus retained earnings, plus or minus the balance of the revenue adjustment account.
Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, remuneration and all income generated by the securities that make up the UCI’s portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

Capital gains and losses:

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

Allocation of distributable income:

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

2. CHANGE IN NET ASSETS AT 29/12/2023 in euros

	29/12/2023	30/12/2022
NET ASSETS AT START OF YEAR	**1 198 000 608,72**	**1 277 029 273,79**
Subscriptions (including subscription fees retained by the Fund)	541 150 893,12	699 502 242,88
Redemptions (net of redemption fees retained by the Fund)	-639 937 450,41	-633 804 153,64
Realised capital gains on deposits and financial instruments	8 206 274,44	8 861 768,00
Realised capital losses on deposits and financial instruments	-165 599 778,57	-17 699 507,40
Realised capital gains on forward financial instruments	29 422 229,21	50 648 545,93
Realised capital losses on forward financial instruments	-45 266 413,34	-46 254 131,84
Transaction charges	-243 220,74	-213 435,15
Exchange rate differences	-4 034 299,55	10 585 292,37
Changes in valuation difference of deposits and financial instruments	147 993 070,92	-201 828 835,20
Valuation difference for financial year N	*-3 873 516,27*	*-151 866 587,19*
Valuation difference for financial year N-1	*151 866 587,19*	*-49 962 248,01*
Changes in valuation difference of forward financial instruments	-693 848,84	1 277 411,99
Valuation difference for financial year N		*693 848,84*
Valuation difference for financial year N-1	*-693 848,84*	*583 563,15*
Distribution of prior year’s net capital gains and losses		
Dividends paid in the previous financial year	-9 048 204,53	-7 646 369,66
Net profit/loss for the financial year prior to income adjustment	67 785 098,91	57 542 506,65
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items		
NET ASSETS AT END OF YEAR	**1 127 734 959,34**	**1 198 000 608,72**

3. ADDITIONAL INFORMATION

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
Fixed-rate bonds traded on a regulated or similar market	999 534 653,37	88,63
Fixed-rate bonds traded on a regulated or similar market	44 446 006,10	3,94
Convertible bonds traded on a regulated or equivalent market	27 351 691,65	2,43
TOTAL BONDS AND SIMILAR SECURITIES	**1 071 332 351,12**	**95,00**
DEBT SECURITIES		
TOTAL DEBT SECURITIES		
LIABILITIES AND SHAREHOLDERS' EQUITY		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS		
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
ASSETS								
Deposits								
Bonds and similar securities	1 011 578 042,82	89,70			59 754 308,30	5,30		
Debt securities								
Temporary securities transactions								
Financial accounts							6 249 065,59	0,55
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

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

	< 3 months	%	]3 months-1 year]	%	]1 - 3 years]	%	]3 - 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and similar securities									1 071 332 351,12	95,00
Debt securities										
Temporary securities transactions										
Financial accounts	6 249 065,59	0,55								
LIABILITIES AND SHAREHOLDERS' EQUITY										
Temporary securities transactions										
Financial accounts										
OFF-BALANCE SHEET										
Hedging transactions										
Other transactions										

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

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

	Currency 1 USD		Currency 2 GBP		Currency 3 CHF		Currency N OTHER	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and similar securities								
Bonds and similar securities	82 144 174,51	7,28	192 558 534,49	17,07				
Debt securities								
UCI								
Temporary securities transactions								
Receivables	91 774 586,95	8,14	20 458 138,60	1,81	157 474,79	0,01		
Financial accounts	151 728,76	0,01	8 371,95		11 180,04			
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities	81 608 658,39	7,24	211 531 936,99	18,76	743,33			
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

3.5.RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	29/12/2023
RECEIVABLES		
	Forward currency purchases	112 390 200,34
	Receivables on forward currency sales	294 873 441,68
	Subscription receivables	90 722,77
	Collateral	2 550 000,00
TOTAL RECEIVABLES		**409 904 364,79**
LIABILITIES		
	Forward currency sales	293 122 414,57
	Payables on forward currency purchases	115 601 120,65
	Redemptions payable	987 729,81
	Fixed management fees	849 976,19
	Variable management fees	707 686,27
	Collateral	1 930 000,00
TOTAL LIABILITIES		**413 198 927,49**
TOTAL LIABILITIES AND RECEIVABLES		**-3 294 562,70**

3.6.SHAREHOLDERS’ EQUITY

3.6.1. Number of securities issued or redeemed

	In equity	In amounts
LAZARD CAPITAL FI SRI PVC H-CHF units		
Units subscribed during the financial year	445,916	461 608,77
Units redeemed during the financial year	-519,178	-542 610,03
Net balance of subscriptions/redemptions	-73,262	-81 001,26
Number of outstanding units at end of financial year	137,282	
LAZARD CAPITAL FI SRI PC EUR units		
Units subscribed during the financial year	2 919,000	2 795 537,43
Units redeemed during the financial year	-12 031,000	-11 156 276,55
Net balance of subscriptions/redemptions	-9 112,000	-8 360 739,12
Number of outstanding units at end of financial year	59,000	
LAZARD CAPITAL FI SRI PC H-USD units		
Units subscribed during the financial year	10,000	10 225,63
Units redeemed during the financial year	-60,000	-50 419,10
Net balance of subscriptions/redemptions	-50,000	-40 193,47
Number of outstanding units at end of financial year	400,000	
LAZARD CAPITAL FI SRI PD H-USD units		
Units subscribed during the financial year		
Units redeemed during the financial year		
Net balance of subscriptions/redemptions		
Number of outstanding units at end of financial year	1,000	
LAZARD CAPITAL FI SRI PVC EUR units		
Units subscribed during the financial year	85 652,578	167 236 412,34
Units redeemed during the financial year	-123 798,562	-231 555 810,06
Net balance of subscriptions/redemptions	-38 145,984	-64 319 397,72
Number of outstanding units at end of financial year	100 885,502	
LAZARD CAPITAL FI SRI PVC F EUR units		
Units subscribed during the financial year	57 972,325	56 032 195,57
Units redeemed during the financial year	-15 568,342	-14 624 822,60
Net balance of subscriptions/redemptions	42 403,983	41 407 372,97
Number of outstanding units at end of financial year	59 660,223	
LAZARD CAPITAL FI SRI PVC H-USD units		
Units subscribed during the financial year	774,972	995 547,25
Units redeemed during the financial year	-5 924,651	-8 005 970,47
Net balance of subscriptions/redemptions	-5 149,679	-7 010 423,22
Number of outstanding units at end of financial year	5 270,255	
LAZARD CAPITAL FI SRI PVD EUR units		
Units subscribed during the financial year	34,764	3 152 463,78
Units redeemed during the financial year	-134,264	-12 734 566,68
Net balance of subscriptions/redemptions	-99,500	-9 582 102,90
Number of outstanding units at end of financial year	522,103	

	In equity	In amounts
LAZARD CAPITAL FI SRI PVD F EUR units		
Units subscribed during the financial year	3 867,986	3 688 331,95
Units redeemed during the financial year	-816,978	-727 221,69
Net balance of subscriptions/redemptions	3 051,008	2 961 110,26
Number of outstanding units at end of financial year	3 305,728	
LAZARD CAPITAL FI SRI RC H-CHF units		
Units subscribed during the financial year	1,000	1 004,52
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	1 004,52
Number of outstanding units at end of financial year	1,000	
LAZARD CAPITAL FI SRI RD H-USD units		
Units subscribed during the financial year		
Units redeemed during the financial year		
Net balance of subscriptions/redemptions		
Number of outstanding units at end of financial year	1,000	
LAZARD CAPITAL FI SRI RVC EUR units		
Units subscribed during the financial year	120 778,884	13 067 334,98
Units redeemed during the financial year	-150 472,388	-16 314 594,78
Net balance of subscriptions/redemptions	-29 693,504	-3 247 259,80
Number of outstanding units at end of financial year	190 565,484	
LAZARD CAPITAL FI SRI RVD EUR units		
Units subscribed during the financial year	23 487,387	2 820 737,73
Units redeemed during the financial year	-55 813,363	-6 353 987,15
Net balance of subscriptions/redemptions	-32 325,976	-3 533 249,42
Number of outstanding units at end of financial year	47 691,966	
LAZARD CAPITAL FI SRI SC EUR units		
Units subscribed during the financial year	24 065,110	285 618 236,29
Units redeemed during the financial year	-29 048,186	-328 319 119,57
Net balance of subscriptions/redemptions	-4 983,076	-42 700 883,28
Number of outstanding units at end of financial year	51 634,050	
LAZARD CAPITAL FI SRI SD EUR units		
Units subscribed during the financial year	540,986	4 999 999,98
Units redeemed during the financial year	-600,000	-5 142 888,00
Net balance of subscriptions/redemptions	-59,014	-142 888,02
Number of outstanding units at end of financial year	11 365,912	
LAZARD CAPITAL FI SRI TVD EUR units		
Units subscribed during the financial year	2 950,000	271 256,90
Units redeemed during the financial year	-51 831,297	-4 409 163,73
Net balance of subscriptions/redemptions	-48 881,297	-4 137 906,83
Number of outstanding units at end of financial year	36 413,330	

3.6.2. Subscription and/or redemption fees

	In amounts
LAZARD CAPITAL FI SRI PVC H-CHF units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PC EUR units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PC H-USD units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PD H-USD units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PVC EUR units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PVC F EUR units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PVC H-USD units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PVD EUR units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI PVD F EUR units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI RC H-CHF units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CAPITAL FI SRI RD H-USD units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

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

3.7.MANAGEMENT FEES

	29/12/2023
LAZARD CAPITAL FI SRI PVC H-CHF units	
Guarantee fees	
Fixed management fees	3 285,19
Percentage of fixed management fees	1,00
Provisioned variable management fees	154,78
Percentage of variable management fees	0,05
provisioned Variable management fees earned	561,38
Percentage of variable management fees earned	0,17
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PC EUR units	
Guarantee fees	
Fixed management fees	36 593,74
Percentage of fixed management fees	1,24
Provisioned variable management fees	
Percentage of variable management fees	
provisioned Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PC H-USD units	
Guarantee fees	
Fixed management fees	5 056,01
Percentage of fixed management fees	1,29
Provisioned variable management fees	
Percentage of variable management fees	
provisioned Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PD H-USD units	
Guarantee fees	
Fixed management fees	10,76
Percentage of fixed management fees	1,27
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.”

	29/12/2023
LAZARD CAPITAL FI SRI PVC EUR units	
Guarantee fees	
Fixed management fees	2 252 963,23
Percentage of fixed management fees	1,00
Provisioned variable management fees	297 985,29
Percentage of variable management fees	0,13
provisioned Variable management fees earned	205 591,70
Percentage of variable management fees earned	0,09
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PVC F EUR units	
Guarantee fees	
Fixed management fees	336 103,98
Percentage of fixed management fees	0,74
Provisioned variable management fees	71 134,42
Percentage of variable management fees	0,16
provisioned Variable management fees earned	9 527,41
Percentage of variable management fees earned	0,02
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PVC H-USD units	
Guarantee fees	
Fixed management fees	96 135,51
Percentage of fixed management fees	1,00
Provisioned variable management fees	12 278,20
Percentage of variable management fees	0,13
provisioned Variable management fees earned	6 167,09
Percentage of variable management fees earned	0,06
Retrocessions of management fees	
LAZARD CAPITAL FI SRI PVD EUR units	
Guarantee fees	
Fixed management fees	557 436,05
Percentage of fixed management fees	1,00
Provisioned variable management fees	74 721,57
Percentage of variable management fees	0,13
provisioned Variable management fees earned	3 326,55
Percentage of variable management fees earned	0,01
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.”

	29/12/2023
LAZARD CAPITAL FI SRI PVD F EUR units	
Guarantee fees	
Fixed management fees	16 132,13
Percentage of fixed management fees	0,74
Provisioned variable management fees	1 387,35
Percentage of variable management fees	0,06
provisioned Variable management fees earned	255,95
Percentage of variable management fees earned	0,01
Retrocessions of management fees	
LAZARD CAPITAL FI SRI RC H-CHF units	
Guarantee fees	
Fixed management fees	0,02
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	
LAZARD CAPITAL FI SRI RD H-USD units	
Guarantee fees	
Fixed management fees	16,90
Percentage of fixed management fees	2,00
Provisioned variable management fees	
Percentage of variable management fees	
provisioned Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CAPITAL FI SRI RVC EUR units	
Guarantee fees	
Fixed management fees	402 736,84
Percentage of fixed management fees	1,75
Provisioned variable management fees	9 495,00
Percentage of variable management fees	0,04
provisioned Variable management fees earned	5 260,88
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.”

	29/12/2023
LAZARD CAPITAL FI SRI RVD EUR units	
Guarantee fees	
Fixed management fees	145 143,56
Percentage of fixed management fees	1,75
Provisioned variable management fees	1 381,91
Percentage of variable management fees	0,02
provisioned Variable management fees earned	1 579,76
Percentage of variable management fees earned	0,02
Retrocessions of management fees	
LAZARD CAPITAL FI SRI SC EUR units	
Guarantee fees	
Fixed management fees	5 189 245,21
Percentage of fixed management fees	0,74
Provisioned variable management fees	
Percentage of variable management fees	
provisioned Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CAPITAL FI SRI SD EUR units	
Guarantee fees	
Fixed management fees	729 600,19
Percentage of fixed management fees	0,74
Provisioned variable management fees	
Percentage of variable management fees	
provisioned Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CAPITAL FI SRI TVD EUR units	
Guarantee fees	
Fixed management fees	47 989,37
Percentage of fixed management fees	1,00
Provisioned variable management fees	4 142,57
Percentage of variable management fees	0,09
provisioned Variable management fees earned	3 021,17
Percentage of variable management fees earned	0,06
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

	29/12/2023
Securities held under repurchase agreements	
Borrowed securities	

3.9.2. Present value of financial instruments representing security deposits

	29/12/2023
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

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

	ISIN code	Name	29/12/2023
Equities			
Bonds			
Negotiable debt securities			
UCI			53 448 105,33
	FR0010941815	LAZARD EURO MONEY MARKET "B	20 129 108,04
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET "C	33 318 997,29
Forward financial instruments			
Total group securities			**53 448 105,33**

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	29/12/2023	30/12/2022
Remaining amounts to be allocated		
Retained earnings	397,31	667,16
Net income	59 887 002,82	58 144 601,54
Interim dividends paid on net income for the financial year		
Total	**59 887 400,13**	**58 145 268,70**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVC H-CHF units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	7 597,23	9 451,89
Total	**7 597,23**	**9 451,89**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	2 949,36	363 766,52
Total	**2 949,36**	**363 766,52**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PC H-USD units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	20 391,55	20 202,47
Total	**20 391,55**	**20 202,47**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PD H-USD units (*)		
Appropriation		
Distribution	11,34	38,03
Balance brought forward for the financial year	34,02	
Accumulation		
Total	**45,36**	**38,03**
Information on units with dividend rights		
Number of units	1,000	1,000
Dividend per unit	11,34	38,03
Tax credit		
Tax credit attached to the distribution of earnings		

(*) The net income for year N will be paid in part (i) as an annual distribution within 5 months of year N+1 and (ii) as a quarterly distribution during year N+1 for the part of the net income for year N allocated to retained earnings.

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	10 562 714,96	12 044 772,32
Total	**10 562 714,96**	**12 044 772,32**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVC F EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	3 226 618,18	642 808,76
Total	**3 226 618,18**	**642 808,76**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVC H-USD units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	392 636,79	666 380,57
Total	**392 636,79**	**666 380,57**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVD EUR units		
Appropriation		
Distribution	2 750 438,60	2 811 168,49
Balance brought forward for the financial year	0,15	0,26
Accumulation		
Total	**2 750 438,75**	**2 811 168,75**
Information on units with dividend rights		
Number of units	522,103	621,603
Dividend per unit	5 268,00	4 522,45
Tax credit		
Tax credit attached to the distribution of earnings		**8,76**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVD F EUR units		
Appropriation		
Distribution	174 707,72	9 707,38
Balance brought forward for the financial year	21,21	0,79
Accumulation		
Total	**174 728,93**	**9 708,17**
Information on units with dividend rights		
Number of units	3 305,728	254,720
Dividend per unit	52,85	38,11
Tax credit		
Tax credit attached to the distribution of earnings		

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI RC H-CHF units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	57,05	
Total	**57,05**	

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI RD H-USD units (*)		
Appropriation		
Distribution	9,74	31,95
Balance brought forward for the financial year	29,19	
Accumulation		
Total	**38,93**	**31,95**
Information on units with dividend rights		
Number of units	1,000	1,000
Dividend per unit	9,74	31,95
Tax credit		
Tax credit attached to the distribution of earnings		

(*) The net income for year N will be paid in part (i) as an annual distribution within 5 months of year N+1 and (ii) as a quarterly distribution during year N+1 for the part of the net income for year N allocated to retained earnings.

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI RVC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	976 317,98	897 567,20
Total	**976 317,98**	**897 567,20**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI RVD EUR units		
Appropriation		
Distribution	268 028,85	372 083,43
Balance brought forward for the financial year	473,90	164,68
Accumulation		
Total	**268 502,75**	**372 248,11**
Information on units with dividend rights		
Number of units	47 691,966	80 017,942
Dividend per unit	5,62	4,65
Tax credit		
Tax credit attached to the distribution of earnings		**1,36**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI SC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	35 400 207,85	34 369 093,19
Total	**35 400 207,85**	**34 369 093,19**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI SD EUR units		
Appropriation		
Distribution	5 927 436,77	5 583 475,59
Balance brought forward for the financial year	54,59	70,03
Accumulation		
Total	**5 927 491,36**	**5 583 545,62**
Information on units with dividend rights		
Number of units	11 365,912	11 424,926
Dividend per unit	521,51	488,71
Tax credit		
Tax credit attached to the distribution of earnings		**14,89**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI TVD EUR units		
Appropriation		
Distribution	176 604,65	353 972,70
Balance brought forward for the financial year	58,45	512,45
Accumulation		
Total	**176 663,10**	**354 485,15**
Information on units with dividend rights		
Number of units	36 413,330	85 294,627
Dividend per unit	4,85	4,15
Tax credit		
Tax credit attached to the distribution of earnings		**1,10**

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

	29/12/2023	30/12/2022
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	-133 803 199,37	-1 067 166,72
Interim dividends paid on net capital gains/losses for the financial year		
Total	**-133 803 199,37**	**-1 067 166,72**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVC H-CHF units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-17 106,69	11 530,48
Total	**-17 106,69**	**11 530,48**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-6 990,33	-16 480,06
Total	**-6 990,33**	**-16 480,06**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PC H-USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-43 691,34	35 769,71
Total	**-43 691,34**	**35 769,71**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PD H-USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-100,36	82,32
Total	**-100,36**	**82,32**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-24 882 560,07	-536 776,71
Total	**-24 882 560,07**	**-536 776,71**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVC F EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-7 196 254,51	-19 532,31
Total	**-7 196 254,51**	**-19 532,31**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVC H-USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-833 371,53	1 193 380,91
Total	**-833 371,53**	**1 193 380,91**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-6 624 562,80	-133 559,49
Total	**-6 624 562,80**	**-133 559,49**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI PVD F EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-395 254,02	-293,50
Total	**-395 254,02**	**-293,50**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI RC H-CHF units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-119,02	
Total	**-119,02**	

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI RD H-USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-99,52	82,45
Total	**-99,52**	**82,45**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI RVC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-2 600 559,72	-47 017,08
Total	**-2 600 559,72**	**-47 017,08**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI RVD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-731 426,75	-20 460,87
Total	**-731 426,75**	**-20 460,87**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI SC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-76 717 010,00	-1 291 127,34
Total	**-76 717 010,00**	**-1 291 127,34**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI SD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-13 330 474,24	-225 958,59
Total	**-13 330 474,24**	**-225 958,59**

	29/12/2023	30/12/2022
LAZARD CAPITAL FI SRI TVD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-423 618,47	-16 806,64
Total	**-423 618,47**	**-16 806,64**

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

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Global net assets in euros	**382 340 536,61**	**661 655 048,96**	**1 277 029 273,79**	**1 198 000 608,72**	**1 127 734 959,34**
LAZARD CAPITAL FI SRI PVC H-CHF units in CHF					
Net assets in CHF	192 386,27	377 911,10	277 916,88	215 001,49	145 320,60
Number of units	165,000	350,000	242,500	210,544	137,282
Net asset value per unit in CHF	1 165,97	1 079,74	1 146,04	1 021,17	1 058,55
Accumulation per unit pertaining to net capital gains/losses in euros	15,03	6,52	46,65	54,76	-124,60
Accumulation per unit pertaining to income in euros	39,61	3,26	37,34	44,89	55,34
LAZARD CAPITAL FI SRI PC EUR units in EUR					
Net assets				8 668 546,82	59 142,26
Number of units				9 171,000	59,000
Net asset value per unit				945,21	1 002,41
Accumulation per unit pertaining to net capital gains/losses				-1,79	-118,48
Accumulation per unit pertaining to income				39,66	49,98
LAZARD CAPITAL FI SRI PC H-USD units in USD					
Net assets in USD		745 044,27	201 227,09	468 961,05	450 339,75
Number of units		701,000	176,421	450,000	400,000
Net asset value per unit in USD		1 062,83	1 140,60	1 042,13	1 125,84
Accumulation per unit pertaining to net capital gains/losses in euros		-19,20	81,04	79,48	-109,22
Accumulation per unit pertaining to income in euros		36,99	35,06	44,89	50,97

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Global net assets in euros	**382 340 536,61**	**661 655 048,96**	**1 277 029 273,79**	**1 198 000 608,72**	**1 127 734 959,34**
LAZARD CAPITAL FI SRI PD H-USD units in USD					
Net assets in USD				962,94	990,83
Number of units				1,000	1,000
Net asset value per unit in USD				962,94	990,83
Accumulation per unit pertaining to net capital gains/losses in euros				82,32	-100,36
Distribution of income per unit in euros				38,03	11,34
Tax credit per unit in euros					
Retained earnings per unit pertaining to net income in euros					34,02
LAZARD CAPITAL FI SRI PVC EUR units in EUR					
Net assets	254 732 613,09	304 292 033,78	339 803 996,24	273 444 299,39	210 555 363,12
Number of units	133 816,985	147 123,302	154 385,863	139 031,486	100 885,502
Net asset value per unit	1 903,58	2 068,27	2 201,00	1 966,77	2 087,07
Accumulation per unit pertaining to net capital gains/losses	-13,72	106,19	15,89	-3,86	-246,64
Accumulation per unit pertaining to income	69,64	60,06	77,20	86,63	104,70
LAZARD CAPITAL FI SRI PVC F EUR units in EUR					
Net assets				16 582 365,48	61 002 736,41
Number of units				17 256,240	59 660,223
Net asset value per unit				960,94	1 022,50
Accumulation per unit pertaining to net capital gains/losses				-1,13	-120,62
Accumulation per unit pertaining to income				37,25	54,08

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Global net assets in euros	**382 340 536,61**	**661 655 048,96**	**1 277 029 273,79**	**1 198 000 608,72**	**1 127 734 959,34**
LAZARD CAPITAL FI SRI PVC H-USD units in USD					
Net assets in USD	3 460 435,25	4 488 743,86	16 504 699,48	15 707 781,56	8 594 919,55
Number of units	2 493,363	2 914,871	9 998,750	10 419,934	5 270,255
Net asset value per unit in USD	1 387,85	1 539,94	1 650,67	1 507,47	1 630,83
Accumulation per unit pertaining to net capital gains/losses in euros	33,17	-22,12	117,30	114,52	-158,12
Accumulation per unit pertaining to income in euros	43,56	39,83	51,63	63,95	74,50
LAZARD CAPITAL FI SRI PVD EUR units in EUR					
Net assets	49 894 427,41	55 061 743,67	69 573 714,58	63 575 736,93	53 883 780,21
Number of units	449,495	477,883	585,326	621,603	522,103
Net asset value per unit	111 001,07	115 220,13	118 863,18	102 277,07	103 205,26
Accumulation per unit pertaining to net capital gains/losses	-895,89	6 018,63	871,85	-214,86	-12 688,22
Distribution of income per share:	4 107,58	3 598,16	4 178,82	4 522,45	5 268,00
Tax credit per share					
LAZARD CAPITAL FI SRI PVD F EUR units in EUR					
Net assets				244 998,09	3 235 546,51
Number of units				254,720	3 305,728
Net asset value per unit				961,83	978,76
Accumulation per unit pertaining to net capital gains/losses				-1,15	-119,56
Distribution of income per share:				38,11	52,85
Tax credit per share					

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Global net assets in euros	**382 340 536,61**	**661 655 048,96**	**1 277 029 273,79**	**1 198 000 608,72**	**1 127 734 959,34**
LAZARD CAPITAL FI SRI RC H-CHF units in CHF					
Net assets in CHF					1 011,50
Number of units					1,000
Net asset value per unit in CHF					1 011,50
Accumulation per unit pertaining to net capital gains/losses in euros					-119,02
Accumulation per unit pertaining to income in euros					57,05
LAZARD CAPITAL FI SRI RD H-USD units in USD					
Net assets in USD				956,49	983,34
Number of units				1,000	1,000
Net asset value per unit in USD				956,49	983,34
Accumulation per unit pertaining to net capital gains/losses in euros				82,45	-99,52
Distribution of income per unit in euros				31,95	9,74
Tax credit per unit in euros					
Retained earnings per unit pertaining to net income in euros					29,19
LAZARD CAPITAL FI SRI RVC EUR units in EUR					
Net assets	6 459 680,20	4 869 404,11	9 345 610,20	24 018 322,90	21 911 422,57
Number of units	59 869,759	41 912,543	76 073,806	220 258,988	190 565,484
Net asset value per unit	107,89	116,18	122,84	109,04	114,98
Accumulation per unit pertaining to net capital gains/losses	-0,81	5,98	0,88	-0,21	-13,64
Accumulation per unit pertaining to income	3,38	2,50	3,55	4,07	5,12

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Global net assets in euros	**382 340 536,61**	**661 655 048,96**	**1 277 029 273,79**	**1 198 000 608,72**	**1 127 734 959,34**
LAZARD CAPITAL FI SRI RVD EUR units in EUR					
Net assets	14 756 848,35	7 190 084,43	14 788 513,15	9 897 892,44	5 958 708,43
Number of units	109 955,974	51 578,988	102 893,736	80 017,942	47 691,966
Net asset value per unit	134,20	139,39	143,72	123,69	124,94
net capital gains/losses per share not distributed			1,05		
Accumulation per unit pertaining to net capital gains/losses	-1,07	7,28		-0,25	-15,33
Distribution of income per share:	4,17	3,54	4,16	4,65	5,62
Tax credit per share					
LAZARD CAPITAL FI SRI SC EUR units in EUR					
Net assets	40 603 297,31	246 040 055,35	712 445 872,50	670 084 841,42	651 340 199,92
Number of units	3 627,530	20 040,184	54 158,049	56 617,126	51 634,050
Net asset value per unit	11 193,09	12 277,33	13 154,93	11 835,37	12 614,54
Accumulation per unit pertaining to net capital gains/losses	-80,25	626,58	94,77	-22,80	-1 485,78
Accumulation per unit pertaining to income	449,69	464,48	547,98	607,04	685,59
LAZARD CAPITAL FI SRI SD EUR units in CHF					
Net assets		26 812 205,21	102 635 152,73	108 107 477,16	107 994 543,03
Number of units		2 523,383	9 328,926	11 424,926	11 365,912
Net asset value per unit		10 625,49	11 001,81	9 462,42	9 501,61
net capital gains/losses per share not distributed			80,61		
Accumulation per unit pertaining to net capital gains/losses		539,86		-19,77	-1 172,84
Distribution of income per share:		366,75	460,90	488,71	521,51
Tax credit per share					

	31/12/2019	31/12/2020	31/12/2021	30/12/2022	29/12/2023
Global net assets in euros	**382 340 536,61**	**661 655 048,96**	**1 277 029 273,79**	**1 198 000 608,72**	**1 127 734 959,34**
LAZARD CAPITAL FI SRI TVD EUR units in EUR					
Net assets	12 633 888,86	12 762 562,88	13 477 790,45	7 999 188,57	3 445 984,02
Number of units	123 894,896	120 811,027	123 652,236	85 294,627	36 413,330
Net asset value per unit	101,97	105,64	108,99	93,78	94,63
net capital gains/losses per share not distributed			0,79		
Accumulation per unit pertaining to net capital gains/losses	-0,82	5,52		-0,19	-11,63
Distribution of income per share:	3,87	3,29	3,84	4,15	4,85
Tax credit per share					

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Bonds and similar securities				
Bonds and similar securities traded on a regulated or similar market				
GERMANY				
CMZB FRANCFORT 4.25% PERP	EUR	15 000 000	12 731 120,08	1,13
CMZB FRANCFORT 6.125% PERP	EUR	35 800 000	36 293 577,34	3,21
DEUT BANK AG 7.125% 31-12-99	GBP	25 100 000	29 047 806,34	2,58
DEUTSCHE BK 4.5% PERP	EUR	29 200 000	25 227 830,66	2,24
DEUTSCHE BK 4,625% PERP	EUR	12 000 000	10 242 045,57	0,91
DEUTSCHE BK USSW5+4.358% PERP	USD	16 600 000	13 750 959,05	1,22
DEUTSCHE PFANDBRIEFBANK AG 5.75% PERP	EUR	21 000 000	13 478 135,08	1,19
OLDENBURGISCHE LANDESBANK AG 6.0% PERP	EUR	7 000 000	5 860 451,55	0,52
TOTAL GERMANY			**146 631 925,67**	**13,00**
AUSTRIA				
ERSTE GR BK 5.125% PERP EMTN	EUR	9 000 000	8 642 764,67	0,77
ERSTE GR BK 8.5% PERP	EUR	14 400 000	15 607 773,64	1,38
RAIFFEISEN BANK INTL AG 4.5% PERP	EUR	5 000 000	3 736 605,33	0,33
RAIFFEISEN BANK INTL AG 6.0% PERP	EUR	22 600 000	20 724 194,44	1,84
RAIFFEISEN BANK INTL AG EUSA5+5.954% PERP	EUR	18 000 000	17 216 911,97	1,52
VILKSBANK WIEN AG 7.75% PERP	EUR	17 000 000	16 947 221,50	1,51
TOTAL AUSTRIA			**82 875 471,55**	**7,35**
BELGIUM				
BELFIUS BANK 3.625% PERP	EUR	19 000 000	16 510 039,62	1,46
BNP PAR FORTIS E3R+2.0% PERP	EUR	17 750 000	15 308 302,20	1,36
TOTAL BELGIUM			**31 818 341,82**	**2,82**
CYPRUS				
Hellenic Bank Public Company 10.25% 14-06-33	EUR	11 000 000	12 724 482,02	1,13
TOTAL CYPRUS			**12 724 482,02**	**1,13**
SPAIN				
ABANCA CORPORACION BANCARIA 6.0% PERP	EUR	19 200 000	18 484 190,61	1,64
BANCO DE BADELL 5.0% PERP	EUR	28 000 000	24 347 935,65	2,16
BANCO DE BADELL 9,375% PERP	EUR	26 000 000	28 356 670,38	2,51
BANCO DE CREDITO SOCIAL 5.25% 27-11-31	EUR	32 300 000	30 142 436,78	2,67
BANCO NTANDER 3.625% PERP	EUR	5 000 000	3 752 523,21	0,33
BANCO NTANDER 4.75% PERP	EUR	12 000 000	11 158 589,01	0,99
BANKINTER 7.375% 31-12-99	EUR	12 600 000	12 929 908,25	1,15
BBVA 8,375% PERP	EUR	8 000 000	8 708 448,57	0,77
CAIXABANK 3,625% PERP	EUR	14 400 000	11 187 745,32	0,99
CAIXABANK 5.25% PERP	EUR	25 000 000	23 332 788,46	2,07
CAIXABANK 8.25% PERP	EUR	20 000 000	21 307 192,31	1,89
IBERCAJA 9.125% PERP	EUR	17 400 000	18 426 988,66	1,64
NCG BAN 10.625% PERP	EUR	14 000 000	15 738 331,68	1,39
UNICAJA BAN 4.875% PERP	EUR	41 000 000	33 304 248,75	2,96
TOTAL SPAIN			**261 177 997,64**	**23,16**
FRANCE				
BQ POSTALE 3.0% PERP	EUR	12 400 000	9 176 575,03	0,81
SG 4.75% PERP	USD	33 200 000	26 641 056,04	2,37
SG 5,375% PERP	USD	7 600 000	5 660 517,36	0,50
SG 6.75% PERP	USD	12 600 000	10 348 134,25	0,92
SG 7.875% PERP EMTN	EUR	15 000 000	16 039 876,22	1,42
TOTAL FRANCE			**67 866 158,90**	**6,02**

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
GREECE				
ALPHA SERVICES AND 11.875% PERP	EUR	29 000 000	32 798 511,41	2,91
PIRAEUS FINANCIAL 5.5% 19-02-30	EUR	14 463 000	14 903 945,17	1,32
PIRAEUS FINANCIAL 8.75% PERP	EUR	17 199 000	16 956 550,49	1,50
TOTAL GREECE			**64 659 007,07**	**5,73**
CAYMAN ISLANDS				
PHOENIX GROUP 5.75% PERP	GBP	8 900 000	8 866 108,66	0,79
TOTAL CAYMAN ISLANDS			**8 866 108,66**	**0,79**
IRELAND				
BANK OF CYPRUS 11.875% PERP	EUR	10 000 000	10 772 728,96	0,95
BANK OF CYPRUS 6.625% 23-10-31	EUR	12 600 000	12 538 169,11	1,11
PERMANENT TSB GROUP 13.25% PERP	EUR	12 000 000	14 140 914,10	1,26
PERMANENT TSB GROUP 7.875% PERP	EUR	2 000 000	1 991 825,00	0,18
TOTAL IRELAND			**39 443 637,17**	**3,50**
ICELAND				
ARION BANK 6.25% PERP	USD	9 350 000	8 249 937,60	0,73
TOTAL ICELAND			**8 249 937,60**	**0,73**
ITALY				
BANCO BPM 6.125% PERP	EUR	14 500 000	14 807 821,60	1,31
BANCO BPM 9.5% PERP	EUR	7 300 000	7 999 738,29	0,71
BFF BANK 5.875% PERP	EUR	9 200 000	8 382 816,00	0,75
INTE 5.5% PERP EMTN	EUR	27 000 000	25 604 134,12	2,27
INTE 5,875% PERP	EUR	22 000 000	20 346 122,20	1,81
INTE 9,125% PERP	EUR	15 000 000	16 982 415,66	1,50
MONTE PASCHI 8.0% 22-01-30	EUR	20 049 000	21 683 306,59	1,92
MONTE PASCHI 8.5% 10-09-30	EUR	12 150 000	12 548 855,95	1,11
UNICREDIT 3.875% PERP CV EMTN	EUR	14 000 000	12 043 389,45	1,07
TOTAL ITALY			**140 398 599,86**	**12,45**
PORTUGAL				
BCP 9.25% PERP	EUR	25 200 000	25 695 103,30	2,28
TOTAL PORTUGAL			**25 695 103,30**	**2,28**
UNITED KINGDOM				
BARCLAYS 4.375% PERP	USD	15 000 000	10 676 288,87	0,94
BARCLAYS 9.25% PERP	GBP	14 000 000	16 222 798,63	1,44
BARCLAYS PLC 5.875% PERP	GBP	34 200 000	38 297 709,80	3,40
DIRECT LINE INSURANCE PLC 4.75% PERP	GBP	21 600 000	19 614 711,81	1,74
ESURE GROUP 6.0% PERP	GBP	5 000 000	4 184 449,55	0,37
RL FINANCE BONDS NO 6 10.125% PERP	GBP	14 984 000	18 627 300,49	1,65
STANDARD LIFE 5.25% PERP	GBP	23 103 000	22 740 472,99	2,02
VIRGIN MONEY UK 11.0% 31-12-99	GBP	11 300 000	13 440 341,52	1,19
VIRGIN MONEY UK 8.25% PERP	GBP	20 000 000	21 516 834,70	1,91
TOTAL UNITED KINGDOM			**165 320 908,36**	**14,66**
SLOVENIA				
NOVA LJUBLJANSKA BANKA DD 10.75% 28-11-32	EUR	8 000 000	8 787 390,16	0,78
TOTAL SLOVENIA			**8 787 390,16**	**0,78**
SWITZERLAND				
UBS GROUP AG 9.25% PERP	USD	6 900 000	6 817 281,34	0,60
TOTAL SWITZERLAND			**6 817 281,34**	**0,60**
TOTAL Bonds and similar securities traded on a regulated or similar market			**1 071 332 351,12**	**95,00**
TOTAL Bonds and similar securities			**1 071 332 351,12**	**95,00**

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD EURO MONEY MARKET "B	EUR	19,146	20 129 108,04	1,79
LAZARD EURO SHORT TERM MONEY MARKET "C	EUR	16 323	33 318 997,29	2,95
TOTAL FRANCE			53 448 105,33	4,74
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			53 448 105,33	4,74
TOTAL Undertakings for collective investment			53 448 105,33	4,74
Receivables			409 904 364,79	36,35
Liabilities			-413 198 927,49	-36,64
Financial accounts			6 249 065,59	0,55
Net assets			1 127 734 959,34	100,00

LAZARD CAPITAL FI SRI PVD F EUR units	EUR	3 305,728	978,76
LAZARD CAPITAL FI SRI PVD EUR units	EUR	522,103	103 205,26
LAZARD CAPITAL FI SRI TVD EUR units	EUR	36 413,330	94,63
LAZARD CAPITAL FI SRI SD EUR units	EUR	11 365,912	9 501,61
LAZARD CAPITAL FI SRI RVD EUR units	EUR	47 691,966	124,94
LAZARD CAPITAL FI SRI PVC F EUR units	EUR	59 660,223	1 022,50
LAZARD CAPITAL FI SRI PC EUR units	EUR	59,000	1 002,41
LAZARD CAPITAL FI SRI PVC EUR units	EUR	100 885,502	2 087,07
LAZARD CAPITAL FI SRI SC EUR units	EUR	51 634,050	12 614,54
LAZARD CAPITAL FI SRI RVC EUR units	EUR	190 565,484	114,98
LAZARD CAPITAL FI SRI RD H-USD units	USD	1,000	983,34
LAZARD CAPITAL FI SRI PD H-USD units	USD	1,000	990,83
LAZARD CAPITAL FI SRI PVC H-USD units	USD	5 270,255	1 630,83
LAZARD CAPITAL FI SRI PC H-USD units	USD	400,000	1 125,84
LAZARD CAPITAL FI SRI RC H-CHF units	CHF	1,000	1 011,50
LAZARD CAPITAL FI SRI PVC H-CHF units	CHF	137,282	1 058,55

ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS

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

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	11,34	EUR	11,34	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	11,34	EUR	11,34	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI PVD EUR units

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	2 724 683,26	EUR	5 218,67	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	25 755,34	EUR	49,33	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	2 750 438,60	EUR	5 268,00	EUR

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

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	163 203,79	EUR	49,37	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	11 503,93	EUR	3,48	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	174 707,72	EUR	52,85	EUR

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

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	9,74	EUR	9,74	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	9,74	EUR	9,74	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI RVD EUR units

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	268 028,85	EUR	5,62	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	268 028,85	EUR	5,62	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI SD EUR units

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	5 456 319,72	EUR	480,06	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	471 117,05	EUR	41,45	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	5 927 436,77	EUR	521,51	EUR

Breakdown of interest: LAZARD CAPITAL FI SRI TVD EUR units

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	174 419,85	EUR	4,79	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	2 184,80	EUR	0,06	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	176 604,65	EUR	4,85	EUR

7. APPENDIX(ES)

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

Product name: Lazard Capital Fi SRI

Legal entity identifier: 96950017UNE2JVZKYN74

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

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

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective: %**	☒ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 46,93% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made a minimum of **sustainable investments with a social objective: %**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

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

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

Environmental policy:

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

Controlling environmental impacts:

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

Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

as well as the following social characteristics:

Respect for human rights:

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

Human resources management:

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

Value chain management:

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

In managing this portfolio, particular attention is paid to the following criteria:

	BANKS	INSURANCE
ENVIRONMENT		
Supply of raw materials (palm oil, cocoa, etc.)	●	
Green products and SRI	●	●
Climate change	●	●
HUMAN RESOURCES		
Diversity and inclusion	●	●
HUMAN RIGHTS		●
Non-discrimination	●	●
SOCIAL COMMITMENT		●
Tax transparency	●	●
Financial inclusion	●	●
BUSINESS PRACTICES		
Data privacy and security	●	●
Information to customers	●	●
Responsible customers relations	●	●
Corruption and money laundering	●	●
Responsible lobbying	●	●
CORPORATE GOVERNANCE		
Boards of Directors	●	●
Internal controls and risk management	●	●
Audit independence	●	●
Executive compensation	●	●
Shareholders' rights	●	●

☐

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

- **How did the sustainability indicators perform?**

The achievement of the environmental and social characteristics promoted by this product is measured by sustainability indicators: These indicators are described below.

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

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

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

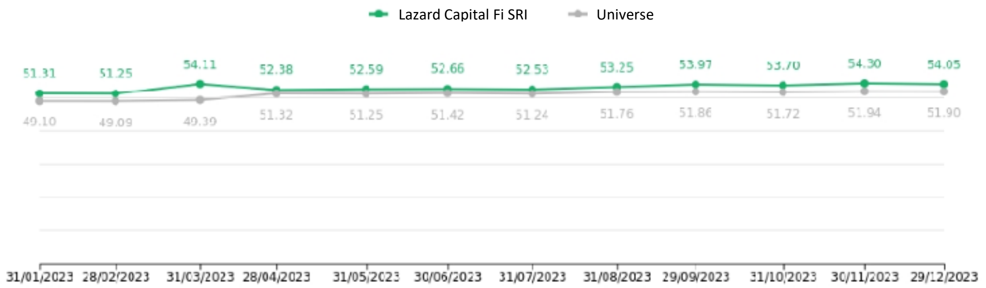
These internal ESG ratings are built into the valuation models through the Beta used to define the weighted average cost of capital for equity management and to the issuer selection process and the determination of issuers' weight in the portfolio for bond management.

In terms of controlling the elements of the investment strategy with an external data provider:
In addition, to confirm the robustness of the internal model, the analysts-managers in charge of management compare the portfolio's average ESG rating to that of its reference ESG universe using Moody's ESG Solutions ratings (ratings between 0 and 100).

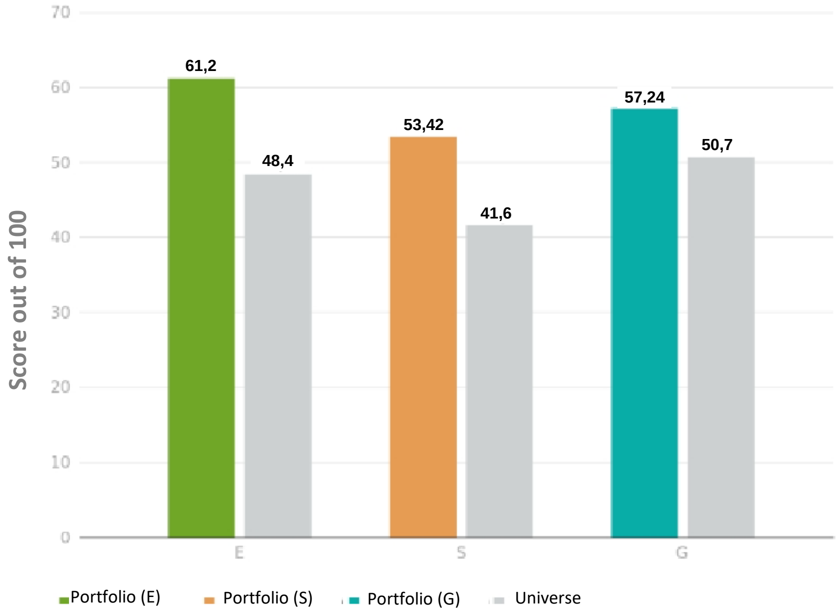
The analyst-managers also monitor four main indicators for the financial sector using Moody's ESG Solutions ratings on the following criteria:
- Development of sustainable products and services
- Responsible customer relations
- Preventing discrimination and promoting diversity
- Audit and internal controls

These indicators are the subject of a quarterly SRI report available at:
https://www.lazardfreresgestion.fr/FR/Fonds_71.html.

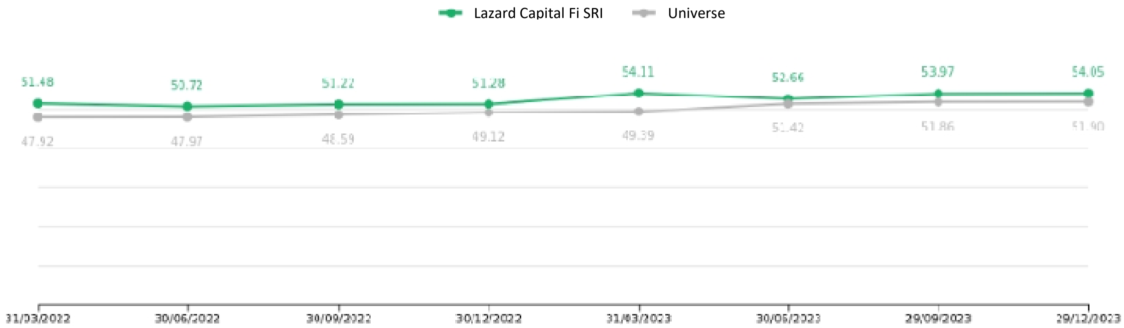
Evolution of the ESG score



The portfolio's ESG reference universe is:
The Eurozone universe provided by our ESG partners, equi-weighted, restricted to the following sectors: Diversified Banks, Insurance, Financial Services General, Retail and Specialized Banks, Asset Management & Custody Banks, Banks, Consumer Finance, Diversified Financials, Investment Banking & Brokerage, Life & Health Insurance, Multi-line Insurance & Brokerage, Property & Casualty Insurance



...and compared to previous periods?



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

The definition of sustainable investment within the meaning of SFDR is based on the selection of indicators that show a substantial contribution to one or more environmental or social objectives, it being understood that these investments must not cause significant harm to any of these objectives and that the companies in which the investments are made apply good governance practices.

The environmental indicators used are as follows:

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

The social indicators used are as follows:

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

Substantial contribution is measured by applying thresholds per indicator.

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

	Rule	Average share of the portfolio
Carbon footprint in M	Included in the lowest 20% of the sector	6,62%
GHG intensity	Included in the lowest 20% of the sector	12,85%
Implied temperature rise in 2050	s2°C	34,86%
Number of low-carbon patents	Included in the top 20% of the universe	0,51%
% of women in executive management	Included in the top 20% of the universe	5,23%
Number of hours of training for employees	Included in the top 20% of the universe	5,08%
Benefits coverage	See sustainable investment presentation www.lazardfreresgestion.fr	9,24%
Diversity policies by management	See presentation www.lazardfreresgestion.fr	28,59%

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

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

The absence of significant harm is assessed on the basis of all the PAI indicators listed in Table 1 of Annex I the Regulatory Technical Standards of the SFDR Regulation. In the event of insufficient coverage of the investment universe for certain indicators, substitution criteria may exceptionally be used. Using alternative criteria is subject to the independent control of the Risks and Compliance department. Alternative indicators are also presented on the Lazard Frères Gestion website under the heading “Sustainable investment methodology”: www.lazardfreresgestion.fr/FR/ESG-ISR/Notre-approche_147.html#section05."

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

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

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

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

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

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

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

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

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

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

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

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

What were the top investments of this financial product?

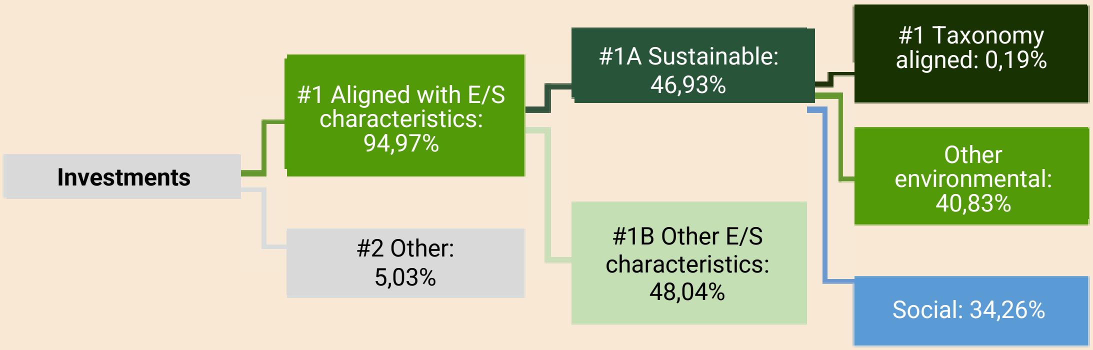
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/01/2023 to 31/12/2023

Largest investments		Sector	Percentage of assets	Country
1	LAZARD EURO SHORTTERM MONEY MARKET	UCI	3,64%	FRANCE
2	BARCLAYS PLC 5.875% PERP	FINANCIAL AND INSURANCE ACTIVITIES	3,36%	UNITED KINGDOM
3	CMZB FRANCFORT 6.125% PERP	FINANCIAL AND INSURANCE ACTIVITIES	2,81%	GERMANY
4	ALPHA SERVICES AND 11.875% PERP	FINANCIAL AND INSURANCE ACTIVITIES	2,62%	GREECE
5	UNICAJA BAN 4.875% PERP	FINANCIAL AND INSURANCE ACTIVITIES	2,57%	SPAIN
6	BCP 9.25% PERP	FINANCIAL AND INSURANCE ACTIVITIES	2,45%	PORTUGAL
7	RAIFFEISEN BANK INTL AG 6.0% PERP	FINANCIAL AND INSURANCE ACTIVITIES	2,29%	AUSTRIA
8	BANCO DE BADELL 9.375% PERP	FINANCIAL AND INSURANCE ACTIVITIES	2,17%	SPAIN
9	DEUT BANK AG 7.125% 31-12-99	FINANCIAL AND INSURANCE ACTIVITIES	2,16%	GERMANY
10	INTE 5.5% PERP EMTN	FINANCIAL AND INSURANCE ACTIVITIES	1,99%	ITALY
11	BANCO DE CREDITO SOCIAL 5,25% 2711-31	FINANCIAL AND INSURANCE ACTIVITIES	1,97%	SPAIN
12	STANDARD LIFE 5.25% PERP	FINANCIAL AND INSURANCE ACTIVITIES	1,88%	UNITED KINGDOM
13	BK IRELAND GROUP 6.0% PERP	UNKNOWN SECTOR	1,77%	IRELAND
14	VIRGIN MONEY UK 8.25% PERP	FINANCIAL AND INSURANCE ACTIVITIES	1,76%	UNITED KINGDOM
15	SG 7.875% PERP EMTN	FINANCIAL AND INSURANCE ACTIVITIES	1,64%	FRANCE

What was the proportion of sustainability-related investment?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



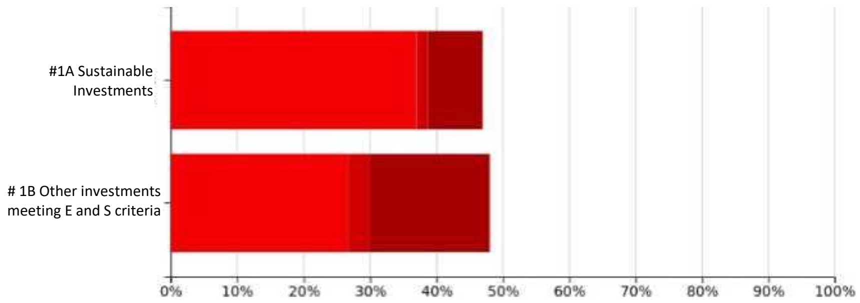
#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S** characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

An investment is considered sustainable if it complies with at least one of the rules set out above.
A company can therefore be considered as environmentally and socially sustainable.

In which economic sectors were the investments made?



	#1A Sustainable Investments	# 1B Other investments meeting E and S criteria
FINANCIAL AND INSURANCE ACTIVITIES	36,97%	26,6%
UCI	1,66%	3,21%
UNKNOWN SECTOR	8,3%	18,22%

Exposure to the fossil fuel sector averaged 0,36% over the period.

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

Did the financial product invest in fossil gas and/or nuclear energy activities aligned with the EU Taxonomy?

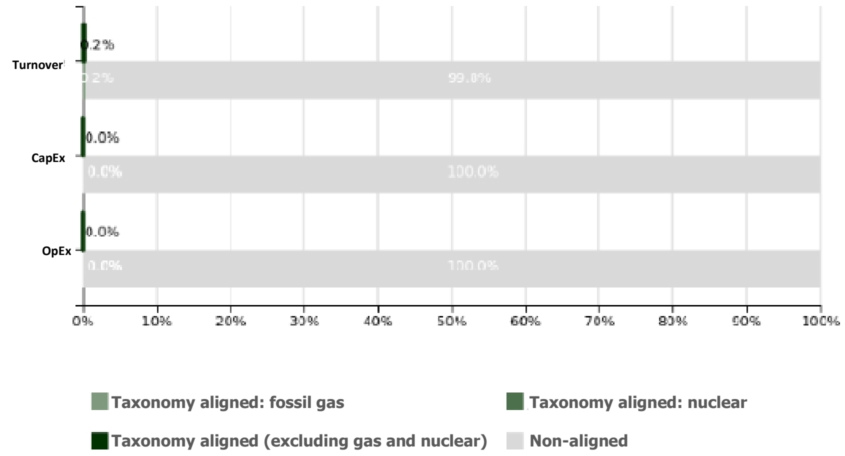
☐ Yes:

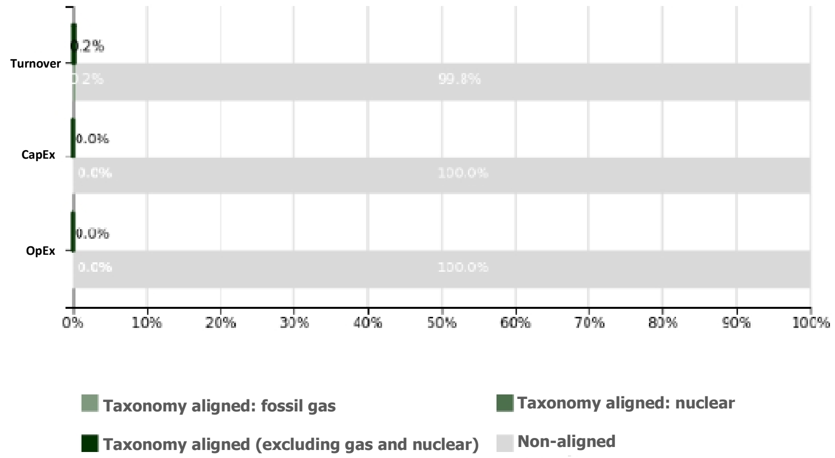
☐ In fossil gas ☐ In nuclear energy

☒ No

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of the companies in which the financial product invests;
- **capital expenditure** (CapEx) showing the green investments made by the companies in which the financial product invests, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of the companies in which the financial product invests.

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





* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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

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

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

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

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

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

Not applicable.

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

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

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 40,83%.

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

What was the share of socially sustainable investments?

The share of socially sustainable investments is 34,26%

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

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

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 5,03%.

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

The binding elements used in the context of the investment strategy to attain the environmental and social objectives promoted by this product cover, for directly held securities in the portfolio:

- The non-financial analysis rate

The extra-financial analysis rate of the product's investments in cash securities is over 90%. This rate is expressed as a percentage of total assets.

Over the past period, the non-financial analysis rate was 94,97% on average.

- The portfolio's average ESG rating

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

The portfolio's ESG reference universe is:
The Eurozone universe provided by our ESG partners, equi-weighted, restricted to the following sectors: Diversified Banks, Insurance, Financial Services General, Retail and Specialized Banks, Asset Management & Custody Banks, Banks, Consumer Finance, Diversified Financials, Investment Banking & Brokerage, Life & Health Insurance, Multi-line Insurance & Brokerage, Property & Casualty Insurance.

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

For more information, please consult the "transparency code":
www.lazardfreresgestion.fr/FR/ESG-ISR/Notre-approche_147.html#section05.

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

Not applicable.

Benchmark indices are indices used to measure whether the financial product has the environmental or social characteristics it promotes.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

Energy and Climate Law (LEC)

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