

French open-end investment fund (FCP)

LAZARD CREDIT FI SRI

ANNUAL REPORT

as of March 31st, 2023

Management company: Lazard Frères Gestion SAS

Custodian: Caceis Bank

Statutory auditor: Deloitte & Associés

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1. CHARACTERISTICS OF THE UCI

LEGAL FORM

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

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

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

RVC EUR, PC EUR, PVC EUR, PC H-USD, PC HCHF, TC EUR, RC EUR units:

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

RVD EUR, PD EUR, PVD 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.

INVESTMENT OBJECTIVE

RVC EUR units, RVD EUR units, PC EUR units, PD EUR units, PVC EUR units, PVD EUR units, TC EUR units, RC EUR units: The investment objective is to achieve, through Socially Responsible Investment (SRI) management, a performance net of management fees that exceeds that of the following benchmark over the recommended investment period of 3 years: ICE BofAML Euro Financial Index. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

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

The investment objective is to achieve, through Socially Responsible Investment (SRI) management, a performance net of management fees that exceeds that of the following benchmark over the recommended investment period of 3 years: ICE BofAML Euro Financial Hedged USD Index. The benchmark index is expressed in USD and hedged against foreign exchange risk, with the USD as the reference currency. Net dividends or coupons are reinvested.

PC H-CHF units:

The investment objective is to achieve, through Socially Responsible Investment (SRI) management, a performance net of management fees that exceeds that of the following benchmark over the recommended investment period of 3 years: ICE BofAML Euro Financial Hedged CHF Index. The benchmark index is expressed in CHF and hedged against foreign exchange risk, with the CHF as the reference currency. Net dividends or coupons are reinvested.

BENCHMARK

RVC EUR units, RVD EUR units, PC EUR units, PD EUR units, PVC EUR units, PVD EUR units, TC EUR units, RC EUR units: ICE BofAML Euro Financial Index

The ICE BofAML Euro Financial Index tracks the performance of euro-denominated investment grade debt securities issued by European financial institutions.

The securities must have an IG rating (based on the average rating of the rating agencies), have a maturity of at least one year and an outstanding amount of at least €250m.

Data are available at: www.indices.theice.com

PC H-CHF units:

ICE BofAML Euro Financial Hedged CHF Index

The ICE BofAML Euro Financial Hedged CHF Index tracks the performance of euro-denominated investment grade debt securities issued by European financial institutions. The securities must have an IG rating (based on the average rating of the rating agencies), have a maturity of at least one year and an outstanding amount of at least €250m.

Data are available at: www.indices.theice.com

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

ICE BofAML Euro Financial Hedged USD Index

The ICE BofAML Euro Financial Hedged USD Index tracks the performance of euro-denominated investment grade debt securities issued by European financial institutions. The securities must have an IG rating (based on the average rating of the rating agencies), have a maturity of at least one year and an outstanding amount of at least €250m.

Data are available at: www.indices.theice.com

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

Additional information on the benchmark indices can be found on the administrators' websites at: [<https://www.theice.com/iba>]

The management company will ensure that the links are still valid in future updates of the UCI's prospectus.

INVESTMENT STRATEGY

1. Strategies used

The investment objective is, by applying a Socially Responsible Investment (SRI) type management, to outperform the benchmark index over a recommended minimum investment horizon of at least 3 years (performance net of management fees):

ICE BofAML Euro Financial Index, expressed in euros, for the PVC EUR and PVD EUR, PC EUR, TC EUR, PD EUR, RVC EUR, RC EUR and RVD EUR units,

ICE BofAML Euro Financial Index, expressed in US dollars 100% hedged, for PC H-USD, PD H-USD and RD H-USD units.

ICE BofAML Euro Financial Index, expressed in CHF 100% hedged, for the PC H-CHF units.

To achieve this investment objective, the Fund will be actively managed, mainly invested in subordinated debt (which is of higher risk than senior or secured debt) or any securities not deemed to be ordinary shares and issued by financial institutions. The Fund is managed by combining a top-down approach (which first looks at general economic and market trends before deciding in which geographical areas and securities to invest) and a bottom-up approach (which first looks at issuers' creditworthiness and the quality of individual securities), thus incorporating the regulatory conditions applying to this asset class. The modified duration is between 0 and 8. The Fund is invested only in bonds or securities of issuers the registered offices of which are established in OECD-member countries and/or in securities listed on a financial market of one of these countries. The Fund invests only in bonds that are traded in euros, US dollars or pounds sterling, or in any OECD currency other than the euro.

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

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.

The Fund will be able to invest in the bonds and securities of any issuer the registered office of which is established in an OECD-member country and/or in securities listed on a financial market of one of these countries. The Fund may not invest in bonds of issuers included on the FATF blacklist.

The Financial Action Task Force (FATF) is an intergovernmental organisation that draws up and promotes policies to combat money laundering and terrorist financing both at national and international levels.

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 only invest in bonds traded in euros, US dollars, pounds sterling or any OECD currency other than the euro.

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 the Economy and Finance. The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, selection of securities and weighting.

ESG (environmental, social and governance) analysis is based on a proprietary model shared by the teams in charge of financial management in the form of an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agency, external service providers, etc.), annual reports and reports on the corporate social responsibility (CSR) of the companies monitored among all the stocks in the portfolio and direct exchanges with them, the analysts responsible for each stock monitored establish an internal ESG score based on an approach that is both quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative (environmental policy, employment strategy, competence of directors, etc.). This ESG rating takes into account the companies’ main adverse impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production) and the risks likely to affect their own sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk through, among other factors, monitoring of controversies).

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

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

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

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

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

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

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

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

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

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

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

The ESG analysis is broken down into 6 areas:

1. Human Resources: 7 criteria

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

2. Environment: 11 criteria

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

3. Customer/supplier relationships: 9 criteria

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

4. Human rights: 4 criteria

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

5. Community involvement: 3 criteria

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

6. Governance: 4 criteria

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

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

An issuer's ESG rating is based on an absolute rating scale of 0 to 100, with 100 being the highest score.

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

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

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

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

- Pollution prevention and control,
- 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 embedded 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:

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.

Up to a maximum of 100% of the net assets in bonds or securities not deemed to be ordinary shares, issued by Investment Grade or equivalent issuers (as rated by the rating agencies) or an equivalent rating based on the management company’s analysis, and up to a maximum of 20% of the net assets in bonds or securities issued by speculative/High Yield issuers (as rated by the rating agencies) or an equivalent rating based on the management company’s analysis, or not rated by a rating agency. Speculative / High Yield issues or securities may not exceed a maximum of 70% of the Fund’s net assets.

Up to a maximum of 30% of the net assets in convertible bonds and contingent convertible bonds (CoCos). The Fund may invest up to 30% 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.

Up to a maximum of 100% in bonds or securities not considered ordinary shares, traded in US dollars or pounds sterling, or in any OECD currency other than the euro.

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

UCIs:

Up to a maximum of 10% 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 funds may be managed by the management company.

3. Derivatives

- Types of markets:

- regulated
- organised
- OTC

- Risks that the manager intends to seek exposure to:

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

- Types of transactions - all transactions must be limited to achieving the investment objective:

- hedging
- exposure
- arbitrage
- other

- Types of instruments used:

futures:

- equity and equity indices (maximum 10%)
- interest rate: interest rate risk
- currency
- other

options:

- equity and equity indices (maximum 10%)
- interest rate: interest rate and interest rate volatility risk
- 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

credit derivatives: CDS are limited to a maximum of 40% of the net assets

- other

- Derivatives strategies 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 the following securities with embedded derivatives up to a maximum of 100% of the net assets: structured products, subordinated debt, puttable and callable bonds, convertible bonds and contingent convertible bonds (a maximum of 30% of the net assets for the latter).

5. Deposits:

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

6. Cash borrowings:

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

7. Temporary purchases and sales of securities:

None.

8. Information on financial guarantees:

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

The UCI provides no guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption.

- **Risk associated with discretionary management**

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

- **Interest rate risk**

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

- **Credit risk**

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

- **Foreign exchange risk**

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

- **Liquidity risk**

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

- **Equity risk**

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

- **Counterparty risk**

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

- **Derivative financial instrument risk**

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

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

Subordinated debt and contingent convertible bonds are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. At a certain solvency threshold, referred to as the "trigger" threshold, the issuer may or must suspend the payment of coupons and/or reduce the nominal value of the security or convert such bonds into shares. Notwithstanding the thresholds defined in the issue prospectus, the supervisory authorities have the possibility of applying in a preventive manner these rules if the circumstances require based on an objective threshold, the point of non-viability.

These securities expose holders to either a total or partial loss of their investment following their conversion into shares at a predetermined price or because of the application of a discount provided for contractually in the issuing prospectus or applied arbitrarily by a supervisory authority. Holders of these securities are also exposed to potentially large price fluctuations in the event that the issuer has insufficient equity or experiences difficulties.

- **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

This Fund is aimed at investors who are aware of the risks associated with investing in the international credit markets.

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 Fund may not be suitable for investors planning to withdraw their investment within three years.

2. CHANGES AFFECTING THE UCI

The Chairman of the management company Lazard Frères Gestion SAS made the following decision in relation to the FCP **LAZARD CREDIT FI SRI** (ISIN code: FR0010590950):

- 1) Insertion of information on Russian and Belarusian investors;
- 2) Deletion of the optional mention of a cap on redemptions ("Gates");
- 3) Change in distribution frequency for PD H-USD and RD H-USD units.

➤ **Effective date: 16/06/2022.**

The Chairman of the management company Lazard Frères Gestion SAS made the following decision in relation to the FCP **LAZARD CREDIT FI SRI** (ISIN code: FR0010590950):

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

➤ **Effective date: 16/08/2022.**

The **LAZARD CREDIT FI SRI** Fund's KIID (ISIN code: FR0010590950) was converted to the KID PRIIPS (*Key Information Document and Packaged Retail Investment and Insurance-based Products*) on January 1st, 2023, in accordance with the European regulations aimed at standardising pre-contractual information on financial products intended for retail investors. As part of the transition to the PRIIPS KID, the published prospectus includes the SFDR appendix.

The Chairman of the management company Lazard Frères Gestion SAS made the following decision in relation to the FCP **LAZARD CREDIT FI SRI** (ISIN code: FR0010590950):

- 1) Change of benchmark;
- 2) Modification of issuer/HY issuer limits;
- 3) Modification of ESG wording (external multi-agencies).

➤ **Effective date: 03/04/2023.**

3. MANAGEMENT REPORT

PERFORMANCE

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

Name	Currency	Performance
LAZARD CREDIT FI SRI "PC EUR"	EUR	-10,09%
LAZARD CREDIT FI SRI "PVC EUR"	EUR	-9,73%
LAZARD CREDIT FI SRI "TC EUR"	EUR	-10,09%
LAZARD CREDIT FI SRI "RVD EUR"	EUR	-10,38%
LAZARD CREDIT FI SRI "PVD EUR"	EUR	-9,72%
LAZARD CREDIT FI SRI "RVC EUR"	EUR	-10,38%
LAZARD CREDIT FI SRI "PD EUR"	EUR	-10,09%
LAZARD CREDIT FI SRI "PC H-USD"	USD	-8,16%
LAZARD CREDIT FI SRI "PC H-CHF"	CHF	-10,85%
LAZARD CREDIT FI SRI "RC EUR"	EUR	-10,75%
LAZARD CREDIT FI SRI "PD H-USD"	USD	-8,21%
LAZARD CREDIT FI SRI "RD H-USD"	USD	-9,25%

The performance of the ICE BofAML Euro Financial Index over the period was: -6,72% (€), -4,17% (USD), -7,53% (CHF)

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

ECONOMIC ENVIRONMENT

Economy

Growth came as a welcome surprise in Western countries, despite central banks' efforts to curb activity and counter inflation. In the end, the economic repercussions of the energy crisis were less severe than expected in Europe, and the US economy proved resilient, with consumers continuing to spend from their savings. Chinese growth was held back by lockdowns before rebounding strongly after the restrictions were fully lifted. Thanks to lower energy prices and the easing of supply pressures, inflation has peaked in the US and Europe. However, the improvement in the economic outlook seems fragile. Core inflation is persistent, signs of a turnaround in the US economy are beginning to appear and the sharp rise in interest rates has exposed weaknesses in the financial system, as evidenced by the SVB failure in the US and UBS's urgent takeover of Credit Suisse in March 2023.

In the United States, GDP growth slowed to +0,9% year-on-year in Q4 2022. Job creation slowed to an average of +345 000 per month. The unemployment rate fell to 3,5%. Annual hourly wage growth slowed to +4,2%. The year-on-year increase in consumer prices slowed to 5,0% and 5,6% excluding energy and food.

The Fed raised its key interest rate by +450 basis points to the 4,75%-5,00% range, with the following sequence: +50 basis points in May 2022, four consecutive hikes of +75 basis points between June and November 2022, +50 basis points in December 2022 and two hikes of +25 basis points in February and March 2023.

In terms of unconventional measures, in May 2022 the Fed announced that it would start reducing its balance sheet from June 2022, at a maximum pace of -\$47,5 billion per month and then -\$95 billion from September 2022. In March 2023, the Fed announced the creation of a new liquidity access mechanism ("Bank Term Funding Program").

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

In the EUROZONE, GDP growth slowed to +1,8% year-on-year in Q4 2022. GDP grew by +0,9% in Germany, +0,5% in France, +1,4% in Italy and +2,6% in Spain. The Eurozone unemployment rate fell to 6,6%. The year-on-year increase in consumer prices slowed to 6,9%. Excluding energy and food, inflation accelerated to +5,7% year-on-year.

The ECB raised its key rates by +350 basis points, in the following sequence: +50 basis point hike in July 2022, two +75 basis point hikes in September and October 2022 and three +50 basis point hikes between December 2022 and March 2023. The deposit rate was raised from -0,50% to 3,00%, the refinancing rate from 0% to 3,50% and the marginal lending facility from 0,25% to 3,75%.

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

In France, Emmanuel Macron was re-elected president on April 24th, 2022. The general elections resulted in a relative majority for the presidential party in the National Assembly. In Italy, the right-wing coalition secured a clear victory in the general elections on September 25th, 2022. Giorgia Meloni was elected prime minister on October 22nd, 2022.

In China, GDP growth slowed to +2,9% year-on-year in Q4 2022. Activity was adversely affected by the lockdowns and the slowdown in the real estate market. The urban unemployment rate fell to 5,6%. Inflation slowed to +0,7% year-on-year. The Chinese central bank cut its key interest rate by 10 basis points, bringing the 1-year refinancing rate to 2,75%. Health restrictions were lifted in November and December 2022.

At the conclusion of the 20th CCP Congress in October 2022, Xi Jinping won a third term as General Secretary of the Party and head of the armed forces. Xi Jinping was formally re-elected President of the Republic during the annual session of the National People's Congress, which was held from March 4th to 13th, 2023. On this occasion, the government announced that it was aiming for growth of "around +5,0%" in 2023.

Markets

The MSCI World global equity market index fell by -9,1%. European markets outperformed US markets, with the Euro Stoxx up +5,1% in euro terms versus a -9,3% decline for the S&P 500 in dollar terms. The yen-denominated Topix rose by +2,9%, while the dollar-denominated MSCI emerging equities index fell by -13,3%.

The decline in global markets over the last twelve months masks a phase of sharp decline in the first six months and a phase of sharp rise in the following six months. Initially, equity markets were hurt by the sharp rise in interest rates, reduced Russian gas deliveries to Europe and lockdowns in China, all of which fuelled fears of recession. In a second phase, equity markets were buoyed by hopes of a monetary policy pivot, the remoteness of the energy crisis in Europe and the anticipated reopening of the Chinese economy.

Bond markets were hurt by the strong pressure on interest rates and widening credit spreads. The US 10-year Treasury yield rose from 2,34% to 3,47%, peaking at 4,24% on October 24th, 2022. The 10-year German government yield rose from 0,56% to 2,29%, peaking at 2,75% on March 2nd, 2023. According to ICE Bank of America indices, credit spreads for European corporate issuers rose from 128 to 155 basis points in the Investment Grade segment, from 198 to 264 basis points in the subordinated financials segment and from 400 to 474 basis points in the High Yield segment.

On the foreign exchange market, the euro depreciated by -2,1% against the dollar and by -2,8% against the Swiss franc. It appreciated by +7,0% against the yen and +4,3% against the pound sterling. Emerging currencies depreciated on average by -5,0% against the dollar, according to the JPMorgan index.

The S&P GSCI commodity price index fell by -20,7%. The price of a barrel of Brent crude oil fell from \$107 to \$80, peaking at \$128 in early June.

MANAGEMENT POLICY

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

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

Primary market activity was moderate over the month.

Spreads on financial bonds widened in May, with the exception of euro-denominated AT1, which tightened slightly.

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

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

In June, spreads widened significantly across the capital structure.

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

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

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

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

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

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

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

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

August was marked by a confluence of three main trends:

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

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

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

Spreads on financials continue to be very cheap, particularly relative to corporates, and cannot be reconciled with the good results presented in H122.

September was marked by increased volatility in bonds, with the majority of central banks maintaining a hawkish stance, with the Fed and ECB each raising rates by +75bp during the month. On the other hand, the abrupt rise in long Gilt rates following the publication of the UK budget proposal led to forced sales by pension funds to meet margin calls. In order to stop this spiral, the Bank of England set up a temporary purchase programme targeting long bonds (over 20 years). The primary market was sluggish on the whole, with volumes well below previous years in both \$ and €, although August was a particularly active month. For now, the new interest rate environment has had more positive effects on revenues than negative effects on costs for the banks, with some of them (UniCredit, Deutsche Bank) mentioning potential guidance rises for 2022.

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

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

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

At the end of the month, some hopes of a pivot by the major central banks accelerated the hedging of short positions and the increase in risk exposures. As expected, the ECB raised its key rate by +75bp but sent a dovish message on future hikes. Quarterly results so far have confirmed our expectations, with far better revenues due to higher yields, and a still very favourable credit environment resulting in limited defaults. That said, some banks have started to make generic provisions in anticipation of a more adverse environment.

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

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

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

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

Raiffeisen confirmed that it will not repay its AT1 in December, while Portuguese bank BCP will not repay its Tier 2. However, BCP made an exchange offer for a new Tier 2, offering an additional spread of +180bp: 40% of investors responded positively. Credit Suisse completed its CHF4bn capital increase, issued €5bn of Senior Holdco debt, as planned, which received significant investor interest, and signed an agreement with Apollo to sell the bulk of its securitisation business, known as SPG.”

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

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

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

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

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

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

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 first Q4 2022 earnings released by financial institutions suggest that many of them will achieve historic results, which should continue to improve in 2023.

The indices posted negative performances in February, due mainly 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 Credit Suisse in which the value of Credit Suisse's AT1s was reduced to zero.

This last event came as a shock, as Credit Suisse was one of the 30 banks in the G-SIBs, and the Swiss government did not respect the hierarchy of the capital structure, sacrificing AT1 holders for the benefit of shareholders. The \$16 billion write-off of Credit Suisse's AT1 in a market of about \$25 billion of European AT1s had a significant impact on the valuation and sentiment of this segment. However, statements by the ECB and the BoE enabled investors to recognise that Switzerland is an exception to the rest of Europe.

The Fund was affected by its exposure to certain Credit Suisse AT1s following the write-off of these securities on March 19th as part of UBS's takeover of the bank (see above). On March 17th, 2023, Lazard Crédit Fi SRI had an exposure of €28 million to these securities (i.e. 1.52% of the Fund's net assets) ^{*1}.

The securities in question were sold on the market on March 20th, 2023 at 1% of their par value.

¹ * As a reminder, on March 14th, 2023, the fund's exposure to Credit Suisse's AT1s was €64 million (or 3,38% of net assets).

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EURO SHORT TERM MONEY MARKET	477 079 789,08	420 363 278,08
LAZARD EURO MONEY MARKET	326 911 284,31	381 248 763,46
CRED SUIS SA GROUP AG 7.75% 01-03-29	52 278 525,62	48 906 229,52
BQ POSTALE ZCP 03-04-23	84 979 817,29	
BFCM BANQ FEDE CRE ZCP 03-04-23	84 979 817,29	
UNICAJA BAN 7.25% 15-11-27	53 069 090,08	11 854 681,91
CYBG PLC 8.0% PERP	1 942 476,03	46 332 595,86
FONDIARIA SAI 5.75% 31-12-99		33 474 763,70
BANCO DE BADELL 6.0% 16-08-33	33 283 819,63	
RAIFFEISEN BANK INTL AG 7.375% 20-12-32	28 053 455,98	940 003,42

4. REGULATORY INFORMATION

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

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

- **Exposure through efficient management techniques: None.**
 - Securities lending:
 - Securities borrowing:
 - Repurchase agreements:
 - Reverse repurchase agreements:

- **Underlying exposure through derivative financial instruments: 686 845 893,62**
 - Currency forwards: 686 845 893,62
 - Futures:
 - Options:
 - Swap:

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

Efficient portfolio management techniques	Derivative financial instruments (*)
	BNP PARIBAS FRANCE 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 Total	None

(*) 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 (*)	11 634,64
. Other income	
Total income	11 634,64
. Direct operating expenses	26 721,13
. Indirect operating expenses	
. Other expenses	
Total expenses	26 721,13

(*) 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 sustainable economic performance.

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

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

Our overall approach can be summarised as follows:

✓ Rigorous financial analysis of the company covering the quality of assets, financial solidity, predictability of cash flows and their reinvestment by the company, the strength of economic profitability, profit sustainability, and quality of management.

✓ This sustainability is strengthened by incorporating non-financial criteria:

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

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

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

SFDR AND TAXONOMY

Article 8 (SFDR):

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

Report on non-financial performance:

As of 31/03/2023, in accordance with the asset management company’s rating criteria, the portfolio’s overall rating was 53,0635 on a scale of 0 to 100.

Over the measured period, the portfolio’s average ESG rating remained higher than that of its universe.

Reminder of the investment objective of promoting ESG criteria:

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

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

ESG (environmental, social and governance) analysis is based on a proprietary model shared by the teams in charge of financial management in the form of an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agency, external service providers, etc.), annual reports and reports on the corporate social responsibility (CSR) of the companies monitored among all the stocks in the portfolio and direct exchanges with them, the analysts responsible for each stock monitored establish an internal ESG score based on an approach that is both quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative (environmental policy, employment strategy, competence of directors, etc.). This ESG rating takes into account the companies’ main adverse impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production) and the risks likely to affect their own sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk through, among other factors, monitoring of controversies). The information relating to the main negative impacts on the sustainability factors is published in the periodic SFDR reports of the UCI, available on the website of the management company.

Each E, S and G pillar is rated from 1 to 5 (5 being the best rating) based on at least ten relevant key indicators per dimension. The company’s overall ESG score summarises the scores for each pillar according to the following weighting: 30% for Environment and Social and 40% for Governance. The proportion of issuers covered by an ESG analysis in the portfolio must be at least 90%, excluding bonds and other debt securities issued by public or quasi-public issuers and cash held on an ancillary basis, and social impact assets (which are therefore capped at 10% of total assets).

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

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

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

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

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 non-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,
- Prevention and control of healthy ecosystems.

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

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

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

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

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

ART 29: ENERGY AND CLIMATE LAW (LEC)

Information concerning Article 29 LEC will be available on the Lazard Frères Gestion website, https://www.lazardfreresgestion.fr/FR/Fonds_71.html

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

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

METHOD USED TO CALCULATE GLOBAL RISK

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

SWING PRICING

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

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

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

INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE

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

REMUNERATION

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

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

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

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

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

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

The remuneration policy is reviewed annually.

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

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

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

“Identified employees”

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

Note: the amounts are stated excluding charges

OTHER INFORMATION

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

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

www.lazardfreresgestion.fr

5. CERTIFICATION BY THE STATUTORY AUDITOR

LAZARD CREDIT FI SRI

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

Management company:
Lazard Frères Gestion SAS

25, Rue de Courcelles
75008 Paris, France

Statutory auditor’s report on the annual financial statements

Financial year ended March 31st, 2023

To the unitholders of the FCP LAZARD CREDIT FI SRI,

Opinion

In accordance with the assignment entrusted to us by the management company, we conducted our audit of the accompanying annual financial statements of the Undertaking for Collective Investment LAZARD CREDIT FI SRI constituted as a French mutual fund (*fonds commun de placement* - FCP), for the financial year ended March 31st, 2023.

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

Opinion on the annual financial statements

Audit standards

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

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



Independence

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

Basis of our opinions

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

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

Specific verifications

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

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

Responsibilities of the management company concerning the annual financial statements

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

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

The management company has prepared the annual financial statements.

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

Our role is to prepare a report on the annual financial statements and to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatements. Reasonable assurance means a high but not absolute level of assurance that an audit performed in accordance with professional standards is free of material misstatement. Anomalies may stem from fraud or errors and are considered material when it can reasonably be expected that, taken individually or together, they could influence the

economic decisions of users of the financial statements.

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

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

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

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

Paris La Défense, July 13th, 2023

The statutory auditor
Deloitte & Associés



[Signature]

Olivier GALIENNE

6. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS Of 31/03/2023 in euros

ASSETS

	31/03/2023	31/03/2022
NET NON-CURRENT ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	1 770 842 824,00	1 682 070 710,71
Equities and similar securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Bonds and similar securities	1 538 238 167,06	1 607 881 623,11
Traded on a regulated or equivalent market	1 538 238 167,06	1 607 881 623,11
Not traded on a regulated or equivalent market		
Debt securities	169 959 634,58	
Traded on a regulated or equivalent market	169 959 634,58	
Negotiable debt securities	169 959 634,58	
Other debt securities		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	62 645 022,35	62 941 616,72
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	62 645 022,35	62 941 616,72
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	0,01	11 247 470,88
Transactions on a regulated or equivalent market	0,01	11 247 470,88
Other transactions		
Other financial instruments	695 969 190,72	541 689 045,12
RECEIVABLES	686 845 893,62	526 852 801,31
Currency forward exchange transactions	9 123 297,10	14 836 243,81
Other	13 791 841,02	37 685 608,54
FINANCIAL ACCOUNTS	13 791 841,02	37 685 608,54
Cash and cash equivalents	2 480 603 855,74	2 261 445 364,37
TOTAL ASSETS		

LIABILITIES AND SHAREHOLDERS' EQUITY

	31/03/2023	31/03/2022
SHAREHOLDERS' EQUITY		
Share capital	1 785 826 954,69	1 653 383 319,77
Undistributed net capital gains and losses recognised in previous years (a)	30 456,01	
Retained earnings (a)	13 606,04	255,75
Net capital gains and losses for the year (a, b)	-123 940 024,27	953 894,38
Net income for the year (a,b)	75 987 480,91	51 598 063,12
TOTAL SHAREHOLDERS' EQUITY*	1 737 918 473,38	1 705 935 533,02
<i>* Sum representing the net assets</i>		
FINANCIAL INSTRUMENTS		9 240 463,67
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments		9 240 463,67
Transactions on a regulated or equivalent market		9 240 463,67
Other transactions		
LIABILITIES	741 326 047,09	546 269 075,92
Currency forward exchange transactions	689 725 300,51	534 879 715,64
Other	51 600 746,58	11 389 360,28
FINANCIAL ACCOUNTS	1 359 335,27	291,76
Bank overdrafts	1 359 335,27	291,76
Borrowings		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2 480 603 855,74	2 261 445 364,37

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS AT 31/03/2023 *in euros*

	31/03/2023	31/03/2022
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets		
Futures contracts		
EURO SCHATZ 0622		110 735 000,00
FV CBOT UST 5 0622		185 524 907,97
LIFFE LG GILT 0622		71 729 483,46
EURO BOBL 0622		103 088 000,00
TU CBOT UST 2 0622		304 745 429,02
Options		
DJ EURO STOXX 50 06/2022 PUT 3400		22 127 288,40
Commitments on OTC markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

INCOME STATEMENT AT 31/03/2023 in euros

	31/03/2023	31/03/2022
Income from financial transactions		
Income from deposits and financial accounts	337 186,29	770,33
Income from equities and similar securities		3 486,50
Income from bonds and similar securities	78 240 140,52	64 226 660,65
Income from debt securities		
Income from temporary purchases and sales of securities	11 634,64	4 848,16
Income from forward financial instruments		
Other financial income		
TOTAL (1)	78 588 961,45	64 235 765,64
Expenses related to financial transactions		
Expenses related to temporary purchases and sales of securities	26 721,13	18 258,83
Expenses related to forward financial instruments		
Expenses related to financial liabilities	60 308,50	27 374,54
Other financial charges		
TOTAL (2)	87 029,63	45 633,37
	78 501 931,82	64 190 132,27
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)		
Other income (3)		
Management fees and depreciation and amortisation (4)	8 594 605,71	16 775 315,92
	69 907 326,11	47 414 816,35
NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)		
Income adjustment for the financial year (5)	6 080 154,80	4 183 246,77
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	75 987 480,91	51 598 063,12

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING RULES AND PRINCIPLES

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

The general accounting principles apply:

- true and fair view, comparability, business continuity,
- regularity, truthfulness,
- prudence,
- permanence of the accounting methods used each year.

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

Asset valuation rules

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

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

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

- **Fixed-income securities:**

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

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

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

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

These valuations and the related supporting documentation will be provided to the statutory auditor during audits. However, the following instruments are valued using the following specific methods:

- **Negotiable debt securities:**

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

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

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

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

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

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

○ **UCIs:**

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

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

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

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

Collateral received or given in the form of cash in the context of temporary securities transactions (securities lending/borrowing, cash collateral, delivered repos) is recorded as an asset under the heading "Liquidity".

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

○ **Futures and options:**

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

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

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

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

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

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

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

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

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

Management fees

Management fees are calculated on each valuation day.

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

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

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

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

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

These fees do not include transaction charges.

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

<i>Fees charged to the UCI</i>	<i>Basis</i>	<i>Units</i>	<i>Maximum rate (incl. taxes)</i>
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion	RVC EUR	0,965%
		RVD EUR	0,965%
		PC EUR	0,665%
		PD EUR	0,665%
		PVC EUR	0,265%
		PVD EUR	0,265%
		PC H-USD	0,715%
		PC H-CHF	0,715%
		TC EUR	0,665%
		RC EUR	1,365%
		PD H-USD	0,715%
		RD H-USD	1,415%
Administrative fees external to the management company	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	30% of the Fund's outperformance relative to the benchmark index +75bp This fee will be capped at 2% on end-of-year assets.
		PC EUR, PD EUR, PC H-USD, PC H-CHF, TC EUR, RC EUR, PD H-USD, RD H-USD	None

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

- If the amount is significant, a provision is recognised in account 617.

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

Swing Pricing

The management company has been applying a swing pricing adjustment to the UCI's net asset value with a trigger level since November 2nd, 2016.

This mechanism involves making investors bear, during significant subscription and redemption movements, the cost of rearranging the portfolio as a result of investment or divestment transactions that may result from transaction charges, buy/sell spreads and taxes or duties applicable to the UCI.

When the net balance of investors' subscription and redemption orders exceeds a predetermined threshold, known as the trigger threshold, the net asset value is adjusted.

The net asset value is adjusted upwards or downwards if the balance of subscriptions and redemptions is positive or negative, respectively, in order to take into account the readjustment costs attributable to net subscription and redemption orders. The trigger amount is expressed as a % of the UCI's net assets.

Unitholders can consult information on this mechanism in the UCI's prospectus, which is available at the management company's head office and on its website: www.assetmanagement.hsbc.com/fr.

Calculation of the performance fee:

Performance fees are calculated by comparing changes in the Fund's assets over the financial year (net dividends reinvested and excluding variable management fees) with the assets of a benchmark fund:

- with a baseline value equal to the value of the Fund's assets at the close of the last financial year;
- and with a daily performance equal to that of the benchmark index (net dividends reinvested) in euros or in US dollars or in Swiss francs and registering the same variations in subscriptions and redemptions as the Fund.

If, at the close of the financial year, the Fund's assets (excluding variable management fees) exceed those of the benchmark fund, a performance fee will be charged equal to 30% (including taxes) of the difference in value between the Fund's assets and the benchmark fund. This fee will be capped at 2% on end-of-year assets.

If the Fund underperforms the benchmark fund between two net asset value dates, any provision previously recognised will be reversed. Amounts deducted from provisions may not exceed the amount previously accumulated.

This variable portion will only be definitively transferred to the management company at the end of the reference period if the Fund outperforms the benchmark fund over the reference period.

These fees (fixed portion and variable portion, if any) are directly charged to the Fund's income statement.

Redemptions occurring during the life of the Fund will give rise to the early payment of the corresponding portion of the variable fees. Where redemptions occur, the performance provision will be adjusted pro rata to the amounts redeemed, and the reversed provision will revert to the management company.

The first performance fee calculated in accordance with the terms and conditions applicable since April 1st, 2020, may only be charged as from the financial year ending March 31st, 2021.

Only the contributions payable for the management of the UCI pursuant to d) of 4° of II of article L.621-5-3 of the French Monetary and Financial Code, and any exceptional legal costs relating to debt recovery, are outside the scope of the blocks of charges mentioned in the table above.

Repurchase agreements are executed at market prices.

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

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

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

Allocation of distributable income***Definition of distributable income:***

Distributable income consists of:

Net income:

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

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

Capital gains and losses:

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

Allocation of distributable income:

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

2. CHANGE IN NET ASSETS AT 31/03/2023 in euros

	31/03/2023	31/03/2022
NET ASSETS AT START OF YEAR	1 705 935 533,02	1 418 995 249,47
Subscriptions (including subscription fees retained by the Fund)	599 945 665,36	573 550 699,35
Redemptions (net of redemption fees retained by the Fund)	-377 664 020,22	-250 397 656,42
Realised capital gains on deposits and financial instruments	5 159 853,00	28 370 113,94
Realised capital losses on deposits and financial instruments	-146 363 688,11	-9 627 062,42
Realised capital gains on forward financial instruments	80 815 920,67	21 731 557,38
Realised capital losses on forward financial instruments	-89 741 121,80	-42 215 998,36
Transaction charges	-257 858,31	-97 015,53
Exchange rate differences	19 102 194,40	25 345 010,45
Changes in valuation difference of deposits and financial instruments	-112 985 863,95	-110 779 750,31
<i>Valuation difference for financial year N</i>	<i>-155 747 932,09</i>	<i>-42 762 068,14</i>
<i>Valuation difference for financial year N-1</i>	<i>42 762 068,14</i>	<i>-68 017 682,17</i>
Changes in valuation difference of forward financial instruments	-8 074 074,88	8 074 074,88
<i>Valuation difference for financial year N</i>		<i>8 074 074,88</i>
<i>Valuation difference for financial year N-1</i>	<i>-8 074 074,88</i>	
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year	-7 861 391,91	-4 428 505,76
Net profit/loss for the financial year prior to income adjustment	69 907 326,11	47 414 816,35
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	1 737 918 473,38	1 705 935 533,02

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	1 397 540 050,38	80,41
Fixed-rate bonds traded on a regulated or similar market	47 074 615,00	2,71
Fixed-rate bonds traded on a regulated or similar market	93 623 501,68	5,39
TOTAL BONDS AND SIMILAR SECURITIES	1 538 238 167,06	88,51
DEBT SECURITIES		
Short-term negotiable securities (NEU CP) issued by banks	169 959 634,58	9,78
TOTAL DEBT SECURITIES	169 959 634,58	9,78
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	1 397 540 050,38	80,41			140 698 116,68	8,10		
Debt securities	169 959 634,58	9,78						
Temporary securities transactions								
Financial accounts							13 791 841,02	0,79
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions								
Financial accounts							1 359 335,27	0,08
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					83 308 726,29	4,79	152 637 288,94	8,78	1 302 292 151,83	74,93
Debt securities	169 959 634,58	9,78								
Temporary securities transactions										
Financial accounts	13 79 1 841,02	0,79								
LIABILITIES AND SHAREHOLDERS' EQUITY										
Temporary securities transactions										
Financial accounts	1 359 335,27	0,08								
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 SEK		Currency 2 NLG		Currency 3 USD		Currency N OTHER	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and similar securities								
Bonds and similar securities	11 811 567,07	0,68	10 639 595,14	0,61	244 235 478,32	14,05	134 414 100,62	7,73
Debt securities								
UCI					622 113,30	0,04		
Temporary securities transactions								
Receivables					148 589 820,00	8,55	14 459 719,82	0,83
Financial accounts	825 811,52	0,05					2 339 220,06	0,13
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities					386 325 184,46	22,23	144 910 466,30	8,34
Financial accounts					1 359 335,27	0,08		
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	31/03/2023
RECEIVABLES		
	Forward currency purchases	159 211 793,95
	Receivables on forward currency sales	527 634 099,67
	Deferred settlement sale	3 233 355,42
	Subscription receivables	1 655 551,23
	Coupons and dividends in cash	604 390,45
	Collateral	3 630 000,00
TOTAL RECEIVABLES		695 969 190,72
LIABILITIES		
	Forward currency sales	528 810 665,72
	Payables on forward currency purchases	160 914 634,79
	Deferred settlement purchase	49 844 573,31
	Redemptions payable	123 020,51
	Fixed management fees	914 556,68
	Variable management fees	718 596,08
TOTAL LIABILITIES		741 326 047,09
TOTAL LIABILITIES AND RECEIVABLES		-45 356 856,37

3.6. SHAREHOLDERS' EQUITY

3.6.1. Number of securities issued or redeemed

	In units	In amounts
LAZARD CREDIT FI SRI PC EUR units		
Units subscribed during the financial year	221 482,735	290 370 827,45
Units redeemed during the financial year	-77 390,672	-101 778 452,36
Net balance of subscriptions/redemptions	144 092,063	188 592 375,09
Number of outstanding units at end of financial year	400 097,194	
LAZARD CREDIT FI SRI PC H-CHF units		
Units subscribed during the financial year	174,206	201 330,94
Units redeemed during the financial year	-1 520,000	-1 703 699,40
Net balance of subscriptions/redemptions	-1 345,794	-1 502 368,46
Number of outstanding units at end of financial year	1 289,106	
LAZARD CREDIT FI SRI PC H-USD units		
Units subscribed during the financial year	1 700,663	2 430 779,53
Units redeemed during the financial year	-2 992,369	-4 024 901,24
Net balance of subscriptions/redemptions	-1 291,706	-1 594 121,71
Number of outstanding units at end of financial year	2 793,599	
LAZARD CREDIT FI SRI PD EUR units		
Units subscribed during the financial year	4 866,940	4 612 846,72
Units redeemed during the financial year	-5 971,073	-5 241 283,92
Net balance of subscriptions/redemptions	-1 104,133	-628 437,20
Number of outstanding units at end of financial year	88 397,012	
LAZARD CREDIT FI SRI PD H-USD units		
Units subscribed during the financial year	1,000	917,68
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	917,68
Number of outstanding units at end of financial year	1,000	
LAZARD CREDIT FI SRI PVC EUR units		
Units subscribed during the financial year	10 063,701	157 089 404,36
Units redeemed during the financial year	-11 352,528	-176 125 464,06
Net balance of subscriptions/redemptions	-1 288,827	-19 036 059,70
Number of outstanding units at end of financial year	51 799,924	
LAZARD CREDIT FI SRI PVD EUR units		
Units subscribed during the financial year	163 743,642	15 860 180,77
Units redeemed during the financial year	-29 710,971	-2 920 082,22
Net balance of subscriptions/redemptions	134 032,671	12 940 098,55
Number of outstanding units at end of financial year	1 613 688,789	
LAZARD CREDIT FI SRI RC EUR units		
Units subscribed during the financial year	922,351	161 525,32
Units redeemed during the financial year	-20,083	-3 533,78
Net balance of subscriptions/redemptions	902,268	157 991,54
Number of outstanding units at end of financial year	903,268	

	In units	In amounts
LAZARD CREDIT FI SRI RD H-USD units		
Units subscribed during the financial year	1,000	183,54
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	183,54
Number of outstanding units at end of financial year	1,000	
LAZARD CREDIT FI SRI RVC EUR units		
Units subscribed during the financial year	224 319,073	75 583 424,96
Units redeemed during the financial year	-174 129,736	-58 461 815,68
Net balance of subscriptions/redemptions	50 189,337	17 121 609,28
Number of outstanding units at end of financial year	511 539,214	
LAZARD CREDIT FI SRI RVD EUR units		
Units subscribed during the financial year	45 882,463	8 542 268,59
Units redeemed during the financial year	-47 041,087	-8 355 615,71
Net balance of subscriptions/redemptions	-1 158,624	186 652,88
Number of outstanding units at end of financial year	8 385,051	
LAZARD CREDIT FI SRI TC EUR units		
Units subscribed during the financial year	212 285,706	45 091 975,50
Units redeemed during the financial year	-92 250,695	-19 049 171,85
Net balance of subscriptions/redemptions	120 035,011	26 042 803,65
Number of outstanding units at end of financial year	328 392,960	

3.6.2. Subscription and/or redemption fees

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

	In amounts
LAZARD CREDIT FI SRI RVD EUR units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD CREDIT FI SRI TC EUR units	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

3.7. MANAGEMENT FEES

	31/03/2023
LAZARD CREDIT FI SRI PC EUR units	
Guarantee fees	
Fixed management fees	2 542 181,66
Percentage of fixed management fees	0,66
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 CREDIT FI SRI PC H-CHF units	
Guarantee fees	
Fixed management fees	11 879,31
Percentage of fixed management fees	0,71
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CREDIT FI SRI PC H-USD units	
Guarantee fees	
Fixed management fees	34 641,58
Percentage of fixed management fees	0,71
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD CREDIT FI SRI PD EUR units	
Guarantee fees	
Fixed management fees	576 096,58
Percentage of fixed management fees	0,66
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.”

	31/03/2023
LAZARD CREDIT FI SRI PD H-USD units	
Guarantee fees	
Fixed management fees	6,70
Percentage of fixed management fees	0,75
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 CREDIT FI SRI PVC EUR units	
Guarantee fees	
Fixed management fees	2 338 140,62
Percentage of fixed management fees	0,28
Provisioned variable management fees	-84,97
Percentage of variable management fees provisioned	
Variable management fees earned	548 301,34
Percentage of variable management fees earned	0,07
Retrocessions of management fees	
LAZARD CREDIT FI SRI PVD EUR units	
Guarantee fees	
Fixed management fees	411 060,00
Percentage of fixed management fees	0,28
Provisioned variable management fees	-21,07
Percentage of variable management fees provisioned	
Variable management fees earned	13 349,78
Percentage of variable management fees earned	0,01
Retrocessions of management fees	
LAZARD CREDIT FI SRI RC EUR units	
Guarantee fees	
Fixed management fees	506,28
Percentage of fixed management fees	1,30
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.”

	31/03/2023
LAZARD CREDIT FI SRI RD H-USD units	
Guarantee fees	
Fixed management fees	3,01
Percentage of fixed management fees (*)	1,70
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 CREDIT FI SRI RVC EUR units	
Guarantee fees	
Fixed management fees	1 523 789,42
Percentage of fixed management fees	0,94
Provisioned variable management fees	2,35
Percentage of variable management fees provisioned	
Variable management fees earned	155 510,79
Percentage of variable management fees earned	0,10
Retrocessions of management fees	
LAZARD CREDIT FI SRI RVD EUR units	
Guarantee fees	
Fixed management fees	37 388,85
Percentage of fixed management fees	0,94
Provisioned variable management fees	103,69
Percentage of variable management fees provisioned	
Variable management fees earned	1 434,17
Percentage of variable management fees earned	0,04
Retrocessions of management fees	
LAZARD CREDIT FI SRI TC EUR units	
Guarantee fees	
Fixed management fees	400 315,62
Percentage of fixed management fees	0,66
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.”

(*) The maximum management fee for RD H-USD units has been exceeded due to the low level of net assets on this unit.

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

	31/03/2023
Securities held under repurchase agreements	
Borrowed securities	

3.9.2. Present value of financial instruments representing security deposits

	31/03/2023
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	31/03/2023
Equities			
Bonds			
Negotiable debt securities			
UCI			62 645 022,35
	FR0013072733	LAZARD CAPI PVC H-USD	622 113,30
	FR0010952788	LAZARD CAPITAL FI PVC EUR	4 990 386,05
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET	57 032 523,00
Forward financial instruments			
Total group securities			62 645 022,35

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	31/03/2023	31/03/2022
Remaining amounts to be allocated		
Retained earnings	13 606,04	255,75
Net income	75 987 480,91	51 598 063,12
Income before interim payments		
Total	76 001 086,95	51 598 318,87

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	21 000 481,20	12 013 975,90
Total	21 000 481,20	12 013 975,90

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PC H-CHF units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	57 908,30	98 960,76
Total	57 908,30	98 960,76

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PC H-USD units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	150 738,95	173 584,73
Total	150 738,95	173 584,73

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PD EUR units		
Appropriation		
Distribution	3 367 926,16	3 153 125,34
Balance brought forward for the financial year	397,58	534,88
Accumulation		
Total	3 368 323,74	3 153 660,22
Information on units with dividend rights		
Number of units	88 397,012	89 501,145
Dividend per unit	38,10	35,23
Tax credit		
Tax credit attached to the distribution of earnings		

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PD H-USD units		
Appropriation		
Distribution	8,71	
Balance brought forward for the financial year	26,10	
Accumulation		
Total	34,81	
Information on units with dividend rights		
Number of units	1,000	
Dividend per unit	8,71	
Tax credit		
Tax credit attached to the distribution of earnings		

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PVC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	35 295 223,45	25 680 535,19
Total	35 295 223,45	25 680 535,19

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PVD EUR units		
Appropriation		
Distribution	6 938 861,79	4 616 527,09
Balance brought forward for the financial year	14 283,22	11 977,74
Accumulation		
Total	6 953 145,01	4 628 504,83
Information on units with dividend rights		
Number of units	1 613 688,789	1 479 656,118
Dividend per unit	4,30	3,12
Tax credit		
Tax credit attached to the distribution of earnings		

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI RC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	5 429,43	1,88
Total	5 429,43	1,88

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI RD H-USD units		
Appropriation		
Distribution	1,33	
Balance brought forward for the financial year	3,96	
Accumulation		
Total	5,29	
Information on units with dividend rights		
Number of units	1,000	
Dividend per unit	1,33	
Tax credit		
Tax credit attached to the distribution of earnings		

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI RVC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	6 302 041,62	4 208 236,76
Total	6 302 041,62	4 208 236,76

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI RVD EUR units		
Appropriation		
Distribution	57 437,60	46 668,57
Balance brought forward for the financial year	56,22	16,53
Accumulation		
Total	57 493,82	46 685,10
Information on units with dividend rights		
Number of units	8 385,051	9 543,675
Dividend per unit	6,85	4,89
Tax credit		
Tax credit attached to the distribution of earnings		

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI TC EUR units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	2 810 261,33	1 594 173,50
Total	2 810 261,33	1 594 173,50

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

	31/03/2023	31/03/2022
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years	30 456,01	
Net capital gains and losses for the year	-123 940 024,27	953 894,38
Interim dividends paid on net capital gains/losses for the financial year		
Total	-123 909 568,26	953 894,38

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-35 365 039,23	34 161,35
Total	-35 365 039,23	34 161,35

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PC H-CHF units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-42 956,17	275 530,24
Total	-42 956,17	275 530,24

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PC H USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-101 806,36	512 083,97
Total	-101 806,36	512 083,97

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		11 999,24
Accumulation	-5 598 773,51	
Total	-5 598 773,51	11 999,24

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PD H-USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-24,83	
Total	-24,83	

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PVC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-55 421 504,83	83 670,55
Total	-55 421 504,83	83 670,55

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI PVD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		16 913,87
Accumulation	-10 782 929,03	
Total	-10 782 929,03	16 913,87

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI RC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-11 002,21	1,05
Total	-11 002,21	1,05

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI RD H-USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-4,77	
Total	-4,77	

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI RVC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-11 746 248,69	14 821,52
Total	-11 746 248,69	14 821,52

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI RVD EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		180,29
Accumulation	-106 767,93	
Total	-106 767,93	180,29

	31/03/2023	31/03/2022
LAZARD CREDIT FI SRI TC EUR units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-4 732 510,70	4 532,30
Total	-4 732 510,70	4 532,30

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

	29/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
Global net assets in EUR	791 388 088,71	912 738 428,69	1 418 995 249,47	1 705 935 533,02	1 737 918 473,38
LAZARD CREDIT FI SRI PC EUR units in EUR					
Net assets	97 293 173,26	108 630 696,92	226 238 380,68	352 744 224,76	495 650 003,49
Number of shares	82 216,090	96 957,566	162 316,934	256 005,131	400 097,194
Net asset value per unit	1 183,38	1 120,39	1 393,80	1 377,87	1 238,82
Accumulation per unit pertaining to net capital gains/losses	-40,44	7,32	51,80	0,13	-88,39
Accumulation per unit pertaining to income	43,13	39,75	42,88	46,92	52,48
LAZARD CREDIT FI SRI PC H-CHF units in CHF					
Net assets in CHF	186 027,75	1 244 774,56	4 242 798,32	3 150 800,87	1 374 286,94
Number of shares	179,000	1 271,842	3 495,442	2 634,900	1 289,106
Net asset value per unit in CHF	1 039,26	978,71	1 213,80	1 195,79	1 066,07
Accumulation per unit pertaining to net capital gains/losses in euros	25,95	76,38	-6,02	104,56	-33,32
Accumulation per unit pertaining to income in euros	32,74	31,27	34,22	37,55	44,92
LAZARD CREDIT FI SRI PC H-USD units in USD					
Net assets in USD	2 992 923,47	1 220 555,67	5 711 145,00	6 061 104,07	3 806 573,30
Number of shares	2 460,090	1 030,090	3 837,454	4 085,305	2 793,599
Net asset value per unit in USD	1 216,59	1 184,90	1 488,26	1 483,63	1 362,60
Accumulation per unit pertaining to net capital gains/losses in euros	83,94	54,45	-14,85	125,34	-36,44
Accumulation per unit pertaining to income in euros	37,28	36,65	38,63	42,49	53,95

	29/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
LAZARD CREDIT FI SRI PD EUR units in EUR					
Net assets	49 983 520,86	38 055 424,02	91 112 754,50	91 742 483,60	78 518 096,37
Number of shares	51 412,599	42 855,547	85 198,598	89 501,145	88 397,012
Net asset value per unit	972,20	887,99	1 069,41	1 025,04	888,24
net capital gains/losses per share not distributed				0,13	
Accumulation per unit pertaining to net capital gains/losses	-33,26	5,85	39,78		-63,33
Distribution of income per share:	35,48	31,73	33,14	35,23	38,10
Tax credit per share					
LAZARD CREDIT FI SRI PD H-USD units in USD					
Net assets in USD					917,94
Number of shares					1,000
Net asset value per unit in USD					917,94
Accumulation per unit pertaining to net capital gains/losses in euros					-24,83
Distribution of income per unit in euros					8,71
Tax credit per unit in euros					
Retained earnings per share pertaining to net income in EUR					26,10
LAZARD CREDIT FI SRI PVC EUR units in EUR					
Net assets	470 041 174,27	548 580 184,05	781 019 644,93	880 681 515,04	775 678 635,43
Number of shares	32 074,177	39 546,855	46 323,103	53 088,751	51 799,924
Net asset value per unit	14 654,81	13 871,65	16 860,26	16 588,85	14 974,51
Accumulation per unit pertaining to net capital gains/losses	-500,29	89,75	628,94	1,57	-1 069,91
Accumulation per unit pertaining to income	587,51	481,50	169,64	483,72	681,37

	29/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
LAZARD CREDIT FI SRI PVD					
EUR in EUR					
Net assets	70 077 236,08	105 192 087,15	139 891 743,05	158 223 482,54	150 984 723,22
Number of shares	683 533,854	1 128 756,610	1 273 000,872	1 479 656,118	1 613 688,789
Net asset value per unit	102,52	93,19	109,89	106,93	93,56
net capital gains/losses per share not distributed				0,01	
Accumulation per unit pertaining to net capital gains/losses	-3,52	0,60	4,10		-6,68
Distribution of income per share:	4,14	3,20	1,23	3,12	4,30
Tax credit per share					
LAZARD CREDIT FI SRI RC EUR					
units in EUR					
Net assets				191,19	154 140,02
Number of shares				1,000	903,268
Net asset value per unit				191,19	170,64
Accumulation per unit pertaining to net capital gains/losses				1,05	-12,18
Accumulation per unit pertaining to income				1,88	6,01
LAZARD CREDIT FI SRI RD H-USD					
units in USD					
Net assets in USD					181,50
Number of shares					1,000
Net asset value per unit in USD					181,50
Accumulation per unit pertaining to net capital gains/losses in EUR					-4,77
Distribution of income per unit in euros					1,33
Tax credit per unit in euros					
Retained earnings per share pertaining to net income in EUR					3,96

	29/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
LAZARD CREDIT FI SRI RVC EUR units in EUR					
Net assets	66 971 421,51	63 282 294,68	127 625 954,11	165 266 172,28	164 222 818,66
Number of shares	205 733,975	207 483,474	348 870,058	461 349,877	511 539,214
Net asset value per unit	325,52	304,99	365,82	358,22	321,03
Accumulation per unit pertaining to net capital gains/losses	-11,13	1,99	13,75	0,03	-22,96
Accumulation per unit pertaining to income	10,95	8,33	1,49	9,12	12,31
LAZARD CREDIT FI SRI RVD EUR units in EUR					
Net assets	195,22	627 968,60	649 483,83	1 945 794,93	1 493 347,02
Number of shares	1,000	3 571,131	3 112,540	9 543,675	8 385,051
Net asset value per unit	195,22	175,84	208,66	203,88	178,09
net capital gains/losses per share not distributed				0,01	
Accumulation per unit pertaining to net capital gains/losses	-6,66	1,19	7,82		-12,73
Distribution of income per share:	6,54	2,99	0,40	4,89	6,85
Tax credit per share					
LAZARD CREDIT FI SRI TC EUR units in EUR					
Net assets	34 189 540,94	46 084 905,74	43 762 335,47	46 806 965,24	66 327 345,08
Number of shares	177 190,083	252 277,534	192 578,950	208 357,949	328 392,960
Net asset value per unit	192,95	182,67	227,24	224,64	201,97
Accumulation per unit pertaining to net capital gains/losses	-6,59	1,19	8,44	0,02	-14,41
Accumulation per unit pertaining to income	7,03	6,48	6,99	7,65	8,55

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 4.0% 05-12-30	EUR	20 000 000	19 103 013,70	1,10
CMZB FRANCFORT 6.125% PERP	EUR	12 200 000	11 253 657,70	0,65
CMZB FRANCFORT 6.5% 06-12-32	EUR	12 500 000	12 681 959,76	0,73
CMZB FRANCFORT 8.625% 28-02-33	GBP	5 000 000	5 756 845,06	0,33
DEUT P CMS10R+0.025% 31-12-99	EUR	11 446 000	7 710 290,77	0,44
DEUTSCHE BANK 4.296% 05/28	USD	32 300 000	29 800 561,62	1,72
DEUTSCHE BANK AG 7.5% PERP	USD	8 000 000	6 429 030,58	0,37
DEUTSCHE BANK AG ZCP 28-10-26	DEM	5 000 000	2 068 575,92	0,12
DEUTSCHE BK 4.0% 24-06-32 EMTN	EUR	27 200 000	24 850 477,04	1,43
DEUTSCHE BK 4.625% PERP	EUR	5 000 000	3 602 627,40	0,21
DEUTSCHE BK 5.625% 19-05-31	EUR	25 300 000	25 351 360,73	1,46
DEUTSCHE PFANDBRIEFBANK AG 4.6% 22-02-27	EUR	15 100 000	12 060 251,06	0,69
DEUTSCHE PFANDBRIEFBANK AG 7.625% 08-12-25	GBP	15 000 000	17 571 471,16	1,01
IKB DEUTSCHE INDUSTRIEBANK AG EUSA5+3.617% 31-01-28	EUR	25 000 000	21 568 369,18	1,24
LBBW 4.0% PERP EMTN	EUR	10 000 000	8 042 795,21	0,46
TOTAL GERMANY			207 851 286,89	11,96
AUSTRIA				
ERSTE GR BK 4.25% PERP	EUR	9 000 000	6 917 045,93	0,39
RAIFFEISEN BANK INTL AG 2.875% 18-06-32	EUR	40 600 000	32 705 227,11	1,89
RAIFFEISEN BANK INTL AG 7.375% 20-12-32	EUR	27 000 000	26 837 885,34	1,54
RAIFFEISEN BANK INTL AG EUSA5+5.954% PERP	EUR	19 000 000	16 497 838,85	0,95
VILKSBANK WIEN AG 7.75% PERP	EUR	11 800 000	10 372 323,19	0,60
TOTAL AUSTRIA			93 330 320,42	5,37
BELGIUM				
FORTIS BK TV07-191272 CV	EUR	59 500 000	47 074 615,00	2,71
TOTAL BELGIUM			47 074 615,00	2,71
BERMUDA				
LANCASHIRE 5.625% 18-09-41	USD	15 000 000	11 385 199,50	0,66
TOTAL BERMUDA			11 385 199,50	0,66
CYPRUS				
BANK OF CYPRUS 2.5% 24-06-27	EUR	28 663 000	24 711 004,46	1,42
TOTAL CYPRUS			24 711 004,46	1,42
DENMARK				
DANSKE BANK AS 6.125% HYB FIX/VAR PERP	USD	12 600 000	11 041 318,51	0,63
JYSKE BANK DNK STIB3R+5.0% PERP	SEK	27 000 000	2 434 680,68	0,14
TRYGBALTICA FORSIKRING AS STIB3R+1.15% 12-05-51	SEK	43 000 000	3 693 895,08	0,21
TOTAL DENMARK			17 169 894,27	0,98
SPAIN				
ABANCA CORPORACION BANCARIA 4.625% 07-04-30	EUR	16 300 000	15 752 969,77	0,91
ABANCA CORPORACION BANCARIA 6.0% PERP	EUR	8 200 000	6 833 743,33	0,39
ABANCA CORPORACION BANCARIA 6.125% 18-01-29	EUR	25 400 000	25 006 005,99	1,44
BANC DE 5.625% 06-05-26 EMTN	EUR	12 500 000	12 421 481,16	0,72
BANCO DE BADELL 2.5% 15-04-31	EUR	18 200 000	15 614 354,67	0,90
BANCO DE BADELL 5.0% PERP	EUR	8 600 000	6 146 074,07	0,35
BANCO DE BADELL 5.25% 07-02-29	EUR	9 000 000	8 642 833,15	0,49

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
BANCO DE BADELL 6.0% 16-08-33	EUR	35 100 000	31 768 870,56	1,83
BANCO DE CREDITO SOCIAL 5.25% 27-11-31	EUR	4 500 000	3 564 724,32	0,21
BANCO DE CREDITO SOCIAL 8.0% 22-09-26	EUR	10 400 000	10 995 821,70	0,63
BANCO SANTANDER SA EUAR10+0.05% PERP	EUR	10 000 000	7 618 276,67	0,44
BBVA 6.0% PERP	EUR	25 000 000	23 758 706,52	1,37
CAIXABANK 3,625% PERP	EUR	5 600 000	3 697 532,24	0,22
CAIXABANK 5.25% PERP	EUR	24 000 000	20 537 326,96	1,18
CAIXABANK 6.25% 23-02-33 EMTN	EUR	11 400 000	11 712 979,19	0,67
IBERCAJA 2.75% 23-07-30	EUR	22 200 000	19 033 998,70	1,09
UNICAJA BAN 2.875% 13-11-29	EUR	26 600 000	22 831 975,18	1,32
UNICAJA BAN 3.125% 19-07-32	EUR	28 000 000	22 292 750,41	1,28
UNICAJA BAN 4.875% PERP	EUR	8 000 000	5 508 617,75	0,32
UNICAJA BAN 7.25% 15-11-27	EUR	40 400 000	41 983 002,05	2,41
TOTAL SPAIN			315 722 044,39	18,17
ESTONIA				
AKTSIASELTS LUMINOR BANK 5.0% 29-08-24	EUR	5 100 000	5 223 154,87	0,30
TOTAL ESTONIA			5 223 154,87	0,30
UNITED STATES				
DEUT POST CMS10R+0.125% PERP	EUR	4 611 000	3 138 261,59	0,19
DEUTSCHE BK NEW YORK 4.875% 01-12-32	USD	6 000 000	4 585 289,24	0,26
TOTAL UNITED STATES			7 723 550,83	0,45
FRANCE				
PROMONTORIA MMB SASU 5.25% 15-10-41	EUR	10 000 000	8 348 308,90	0,48
SCOR 3.25% 05-06-47	EUR	3 500 000	3 217 425,58	0,19
SG 6.75% PERP	USD	19 000 000	14 672 907,17	0,84
TOTAL FRANCE			26 238 641,65	1,51
GREECE				
ALPHA BANK 4.25% 13-02-30 EMTN	EUR	19 908 000	15 956 698,34	0,92
ALPHA BANK 5.5% 11-06-31	EUR	15 000 000	12 710 676,37	0,73
EFG EUROBANK 10.0% 06-12-32	EUR	10 300 000	10 635 550,72	0,61
EFG EUROBANK 7.0% 26-01-29	EUR	20 000 000	19 771 121,92	1,14
NATL BANK OF GREECE 8.25% 18-07-29	EUR	23 200 000	23 677 273,26	1,37
NATL BANK OF GREECE 8.75% 02-06-27	GBP	10 000 000	11 458 942,85	0,66
PIRAEUS BANK 3.875% 03-11-27	EUR	11 500 000	9 972 477,84	0,57
PIRAEUS FINANCIAL 5.5% 19-02-30	EUR	20 000 000	16 876 802,74	0,97
PIRAEUS FINANCIAL 9.75% 26-06-29	EUR	21 000 000	21 428 269,11	1,23
TOTAL GREECE			142 487 813,15	8,20
HONG KONG				
HONGKONG SHANGHAI BANKING CORP LTD THE L3RUSD PERP	USD	14 100 000	9 634 803,80	0,55
TOTAL HONG KONG			9 634 803,80	0,55
HUNGARY				
OTP BANK 7.35% 04-03-26 EMTN	EUR	11 600 000	11 737 464,75	0,67
OTP BANK 8.75% 15-05-33 EMTN	USD	17 000 000	15 212 527,30	0,88
OTP BANK PLC 2.875% 15-07-29	EUR	22 944 000	21 707 909,29	1,25
RAIFFEISEN BANK RT BUDAPEST 8.75% 22-11-25	EUR	10 000 000	10 460 385,62	0,60
TOTAL HUNGARY			59 118 286,96	3,40
IRELAND				
AIB GROUP 2.875% 30-05-31 EMTN	EUR	20 000 000	18 658 280,82	1,07
AIB GROUP 5.25% PERP	EUR	5 200 000	4 858 432,00	0,28

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
BANK OF CYPRUS 6.625% 23-10-31	EUR	23 840 000	21 278 645,10	1,22
BK IRELAND 6.75% 01-03-33 EMTN	EUR	7 100 000	7 287 904,99	0,42
BK IRELAND 7.594% 06-12-32	GBP	10 800 000	12 527 772,87	0,72
GRENKE FINANCE 3.95% 09-07-25	EUR	15 000 000	14 566 214,38	0,84
PERMANENT TSB GROUP 13.25% PERP	EUR	6 500 000	7 028 916,43	0,41
PERMANENT TSB GROUP 7.875% PERP	EUR	4 000 000	3 567 721,55	0,21
TOTAL IRELAND			89 773 888,14	5,17
ICELAND				
ARION BANK NIB03R+3.65% 09-07-29	NOK	30 000 000	2 746 848,80	0,16
ISLANDSBANKI HF STIB3R+4.75% PERP	SEK	74 000 000	5 682 991,31	0,32
TOTAL ICELAND			8 429 840,11	0,48
ITALY				
ASSICURAZIONI GENERALI 4.596% PERP	EUR	23 296 000	23 083 610,05	1,33
FONDIARIA SAI 5.75% 31-12-99	EUR	15 000 000	15 399 523,97	0,89
INTE 6.184% 20-02-34 EMTN	EUR	8 400 000	8 335 448,19	0,48
SACE SPA 3.875% PERP	EUR	10 000 000	9 221 717,12	0,53
UBI BANCA UNIONE DI BANCHE ITALIANE 5.875% PERP	EUR	18 300 000	16 766 773,21	0,96
UNICREDIT 5.459% 30-06-35	USD	17 100 000	13 153 976,58	0,76
UNICREDIT 7.296% 02-04-34 EMTN	USD	18 000 000	15 348 176,17	0,88
UNICREDIT SPA 5.861% 19-06-32	USD	18 000 000	14 980 443,19	0,86
TOTAL ITALY			116 289 668,48	6,69
JERSEY				
HSBC CAPIT TF/TV PERP PF *EUR	USD	6 000 000	6 812 484,70	0,39
TOTAL JERSEY			6 812 484,70	0,39
LUXEMBOURG				
BANQUE INTLE A LUXEMBOURG 5.25% PERP	EUR	17 000 000	14 540 893,33	0,83
TOTAL LUXEMBOURG			14 540 893,33	0,83
NETHERLANDS				
AEGON 0.496% PERP	NLG	2 940 000	868 676,86	0,05
AEGON 0 07/29/49	USD	16 349 000	12 237 709,00	0,70
AEGON 1.425% PERP	NLG	21 730 000	7 782 455,83	0,45
AEGON 1.506% PERP	NLG	5 150 000	1 988 462,45	0,11
ASR NEDERLAND NV 7.0% 07-12-43	EUR	18 000 000	19 195 503,29	1,11
TOTAL NETHERLANDS			42 072 807,43	2,42
POLAND				
PKO BANK POLSKI 5.625% 01-02-26	EUR	6 900 000	6 877 263,08	0,40
TOTAL POLAND			6 877 263,08	0,40
PORTUGAL				
BCP 3.871% 27-03-30 EMTN	EUR	32 400 000	24 786 846,30	1,43
BCP 4.0% 17-05-32	EUR	35 500 000	26 567 052,33	1,53
BCP 8.75% 05-03-33 EMTN	EUR	13 100 000	11 493 509,42	0,66
BCP 9.25% PERP	EUR	8 400 000	7 141 926,81	0,41
BESVIDA COMPANHIA DE SEGUROS SA E3R+3.5% PERP	EUR	794 400	659 535,95	0,04
FIDELIDADE COMPANHIA DE SEGUROS 4.25% 04-09-31	EUR	13 000 000	11 680 239,11	0,67
NOVO BAN 3.5% 23-07-24	EUR	4 300 000	4 319 767,34	0,25
NOVO BAN 8.5% 06-07-28	EUR	21 000 000	21 392 121,78	1,23
TOTAL PORTUGAL			108 040 999,04	6,22

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
UNITED KINGDOM				
CHESNARA 4.75% 04-08-32	GBP	10 000 000	8 368 689,12	0,48
CO-OPERATIVE BNK FINANCE	GBP	3 900 000	4 619 896,44	0,27
COVENTRY BLDG 6.875% PERP	GBP	8 000 000	8 084 861,28	0,46
DRESDR FIN 8.151% 30/06/31*USD	USD	24 500 000	23 611 694,12	1,36
ESURE GROUP 6.0% PERP	GBP	4 000 000	3 179 287,28	0,19
ESURE GROUP 6.75% 19-12-24	GBP	7 149 000	7 933 108,65	0,46
HSBC BANK 5.844% PERP EMTN	GBP	2 497 000	2 974 849,81	0,17
INVESTEC 9.125% 06-03-33 EMTN	GBP	6 500 000	7 498 339,87	0,43
PRUD 5.56% 20-07-55 EMTN	GBP	15 309 000	15 507 104,87	0,89
PRUDENTIAL 5.625% 20-10-51	GBP	6 590 000	7 052 188,51	0,41
PRUDENTIAL 6.5% 20-10-48 EMTN	USD	29 747 000	27 959 116,48	1,61
QUILTER 8.625% 18-04-33 EMTN	GBP	10 000 000	11 667 955,41	0,67
STANDARD LIFE 4.25% 30-06-28	USD	32 940 000	27 370 240,36	1,57
THE COOPERATIVE BANK FINANCE 1929 6.0% 06-04-27	GBP	4 900 000	5 397 362,72	0,31
TOTAL UNITED KINGDOM			161 224 694,92	9,28
SLOVENIA				
NOVA LJUBLJANSKA BANKA DD 10.75% 28-11-32	EUR	15 000 000	16 505 011,64	0,95
TOTAL SLOVENIA			16 505 011,64	0,95
TOTAL Bonds and similar securities traded on a regulated or similar market			1 538 238 167,06	88,51
TOTAL Bonds and similar securities			1 538 238 167,06	88,51
Debt securities				
Debt securities traded on a regulated or equivalent market				
FRANCE				
BFCM BANQ FEDE CRE ZCP 03-04-23	EUR	85 000 000	84 979 817,29	4,89
BQ POSTALE ZCP 03-04-23	EUR	85 000 000	84 979 817,29	4,89
TOTAL FRANCE			169 959 634,58	9,78
TOTAL Debt securities traded on a regulated or equivalent market			169 959 634,58	9,78
TOTAL Debt securities			169 959 634,58	9,78
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD CAPI PVC H-USD	USD	500	622 113,30	0,03
LAZARD CAPITAL FI PVC EUR	EUR	2 845	4 990 386,05	0,29
LAZARD EURO SHORT TERM MONEY MARKET	EUR	28 692	57 032 523,00	3,28
TOTAL FRANCE			62 645 022,35	3,60
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			62 645 022,35	3,60
TOTAL Undertakings for collective investment			62 645 022,35	3,60
Margin call				
CACEIS MARGIN CALL	EUR	0,01	0,01	
TOTAL Margin call			0,01	

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Receivables			695 969 190,72	40,05
Liabilities			-741 326 047,09	-42,66
Financial accounts			12 432 505,75	0,72
Net assets			1 737 918 473,38	100,00

LAZARD CREDIT FI SRI PVD EUR units	EUR	1 613 688,789	93,56
LAZARD CREDIT FI SRI PD EUR units	EUR	88 397,012	888,24
LAZARD CREDIT FI SRI RVD EUR units	EUR	8 385,051	178,09
LAZARD CREDIT FI SRI PC EUR units	EUR	400 097,194	1 238,82
LAZARD CREDIT FI SRI TC EUR units	EUR	328 392,960	201,97
LAZARD CREDIT FI SRI RVC EUR units	EUR	511 539,214	321,03
LAZARD CREDIT FI SRI PVC EUR units	EUR	51 799,924	14 974,51
LAZARD CREDIT FI SRI PC H-CHF units	CHF	1 289,106	1 066,07
LAZARD CREDIT FI SRI RC EUR units	EUR	903,268	170,64
LAZARD CREDIT FI SRI PD H-USD units	USD	1,000	917,94
LAZARD CREDIT FI SRI RD H-USD units	USD	1,000	181,50
LAZARD CREDIT FI SRI PC H-USD units	USD	2 793,599	1 362,60

ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS

Breakdown of interest: LAZARD CREDIT FI SRI PD EUR units

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	2 851 687,61	EUR	32,26	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
Other income not eligible for a tax allowance and subject to non-definitive withholding tax	516 238,55	EUR	5,84	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	3 367 926,16	EUR	38,10	EUR

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

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	8,71	EUR	8,71	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	8,71	EUR	8,71	EUR

Breakdown of interest: LAZARD CREDIT FI SRI PVD EUR units

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	5 438 131,22	EUR	3,37	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	1 500 730,57	EUR	0,93	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	6 938 861,79	EUR	4,30	EUR

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

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	1,33	EUR	1,33	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	1,33	EUR	1,33	EUR

Breakdown of interest: LAZARD CREDIT FI SRI RVD EUR units

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	53 915,88	EUR	6,43	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	3 521,72	EUR	0,42	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	57 437,60	EUR	6,85	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 CREDIT FI SRI

Legal entity identifier: 969500FR3TNUVM8YL814

Environmental and/or social characteristics

Sustainable investment

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

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes

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

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

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

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

No

It promoted **Environmental/Social (E/S) characteristics** and

while it did not have as its objective a sustainable investment, it had a proportion of 50,27% of sustainable investments

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

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

with a social objective

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



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

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

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

Environmental policy:

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

Controlling environmental impacts:

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

Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

Moreover, the portfolio promotes the following social characteristics:

Respect for human rights:

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

Human resources management:

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

Value chain management:

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

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

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

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

In terms of valuation in the internal analysis model:

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

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

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

These internal ESG ratings are built into the valuation models through the Beta used to define the weighted average cost of capital (WACC) for equity management and to the issuer selection process and the determination of issuers' weight in the portfolio for bond management. In terms of controlling the elements of the investment strategy with an external data provider: In addition, to confirm the robustness of the internal model, the analysts-managers in charge of management compare the portfolio's average ESG rating to that of its reference ESG universe using Moody's ESG Solutions ratings (ratings between 0 and 100).

Evolution of the ESG score



The portfolio's ESG reference universe is:

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

ESG score by pillar



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

Not applicable

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

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

The environmental indicators used are as follows:

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

The social indicators used are as follows:

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

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

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

	Rule	Average share of the portfolio
Carbon footprint in €m	Included in the lowest 20% of the sector	2,59%
GHG intensity	Included in the lowest 20% of the sector	5,40%
Implied temperature rise in 2100	≤2°C	36,07%
Number of low-carbon patents	Included in the top 20% of the universe	-
% of women in executive management	Included in the top 20% of the universe	-
Number of hours of training for employees	Included in the top 20% of the universe	0,99%
Benefits coverage	See sustainable investment presentation www.lazardfreresgestion.fr	5,11 %
Diversity policies by management	See presentation www.lazardfreresgestion.fr	16,72%

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

The absence of significant harm is assessed on the basis of all the PAI indicators listed in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288 of 6 April 2022. In the event of insufficient coverage of the investment universe for certain indicators, alternative criteria may be used on an exceptional basis (such as for PAI 12, use of an

indicator on management attention to diversity). Using alternative criteria is subject to the independent control of the Risks and Compliance department. Alternative indicators are also presented on the Lazard Frères Gestion website under the heading “Sustainable investment methodology”.

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

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

Indicators of the principal adverse sustainability impacts (PAI) are considered at two levels.

Firstly, they are integrated into the internal analysis of each security monitored, carried out by our analyst-managers in the internal ESG analysis grids.

In addition, they are used to assess the share of sustainable investments.

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.

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

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

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



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

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

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

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



What were the top investments of this financial product?

Largest investments	Sector	Percentage of assets	Country
1. LAZARD EURO MONEY MARKET	UCI	3,67%	France
2. FORTIS BKTV07-191272 CV	Unknown sector	2,87%	United States

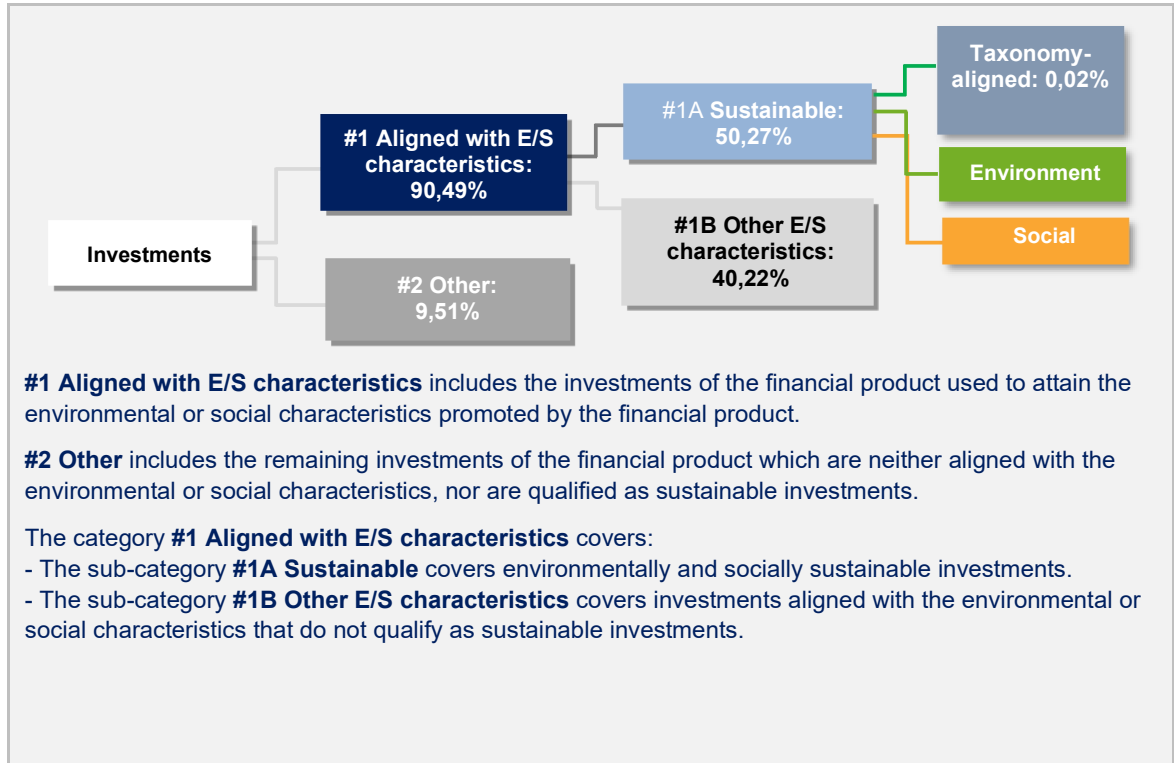
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/04/2022 to 31/03/2023

Largest investments	Sector	Percentage of assets	Country
3. FONDIARIASAI 5.75% 31-12-99	Financial and insurance activities	2,48%	Italy
4. RAIFFEISEN BANK INTL AG 2.875% 18-06-32	Financial and insurance activities	2,02%	Austria
5. DEUTSCHE BANK 4.296% 05/28	Financial and insurance activities	1,81%	Germany
6. STANDARD LIFE 4.25% 30-06-28	Financial and insurance activities	1,74%	United Kingdom
7. PRUDENTIAL 6.5% 20-10- 48 EMTN	Financial and insurance activities	1,73%	United Kingdom
8. BCP 4.0% 17-05-32	Financial and insurance activities	1,60%	Portugal
9. BCP 3.871% 27-03-30 EMTN	Financial and insurance activities	1,56%	Portugal
10. DRES DR FIN 8.151% 30/06/31 *USD	Unknown sector	1,55%	United States
11. CRED SUIS SA GROUP AG 7.5% PERP	Financial and insurance activities	1,55%	Switzerland
12. CRED SUIS SA GROUP AG 5.25% PERP	Financial and insurance activities	1,53%	Switzerland
13. BANKIA 6.375% PERP	Financial and insurance activities	1,48%	Spain
14. UNICAJA BAN 2.875% 13-11-29	Financial and insurance activities	1,46%	Spain
15. BBVA 6.0% PERP	Financial and insurance activities	1,46%	Spain



What was the proportion of sustainability-related investment?

- **What was the asset allocation?**



Asset allocation describes the share of investments in specific assets.

#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.

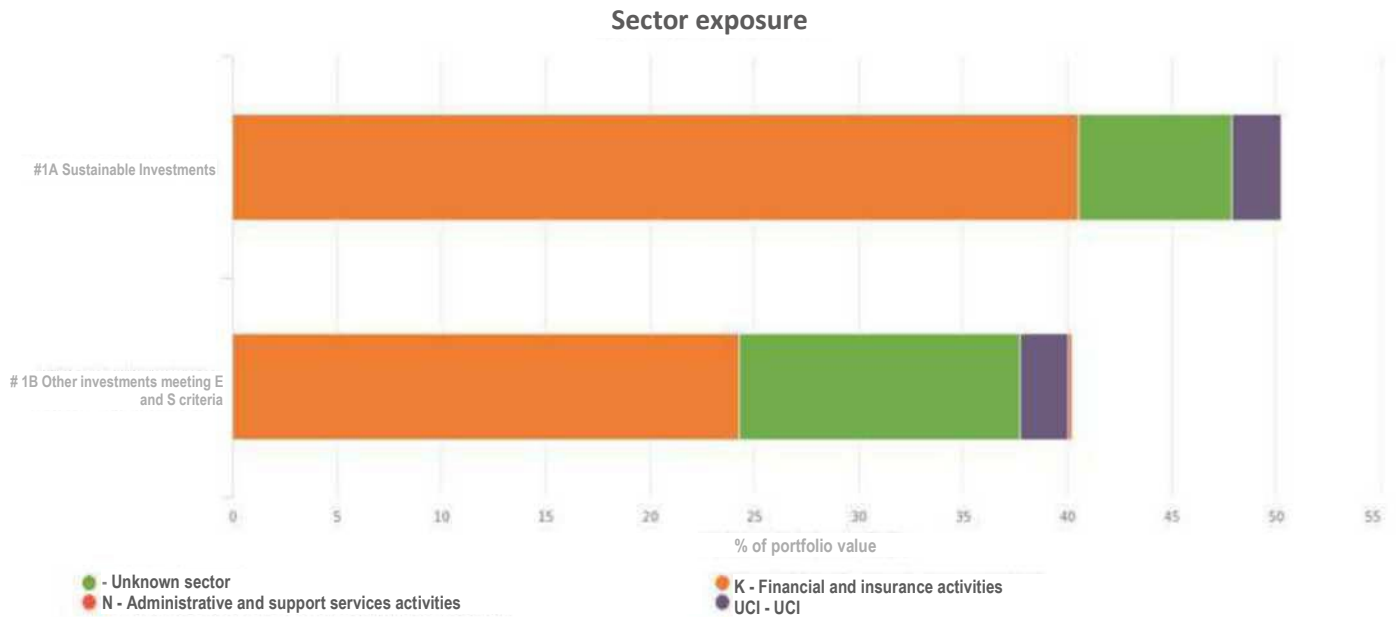
The category **#1 Aligned with E/S characteristics** covers:

- 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.

Details of sustainable investments	
Weight of sustainable investments in the portfolio	50,27%
Of which sustainable investments E	43,75%
Of which sustainable investments S	24,92%

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

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



Exposure to the fossil fuel sector averaged 1,07% over the period.

Taxonomy-aligned activities are expressed as a share of:

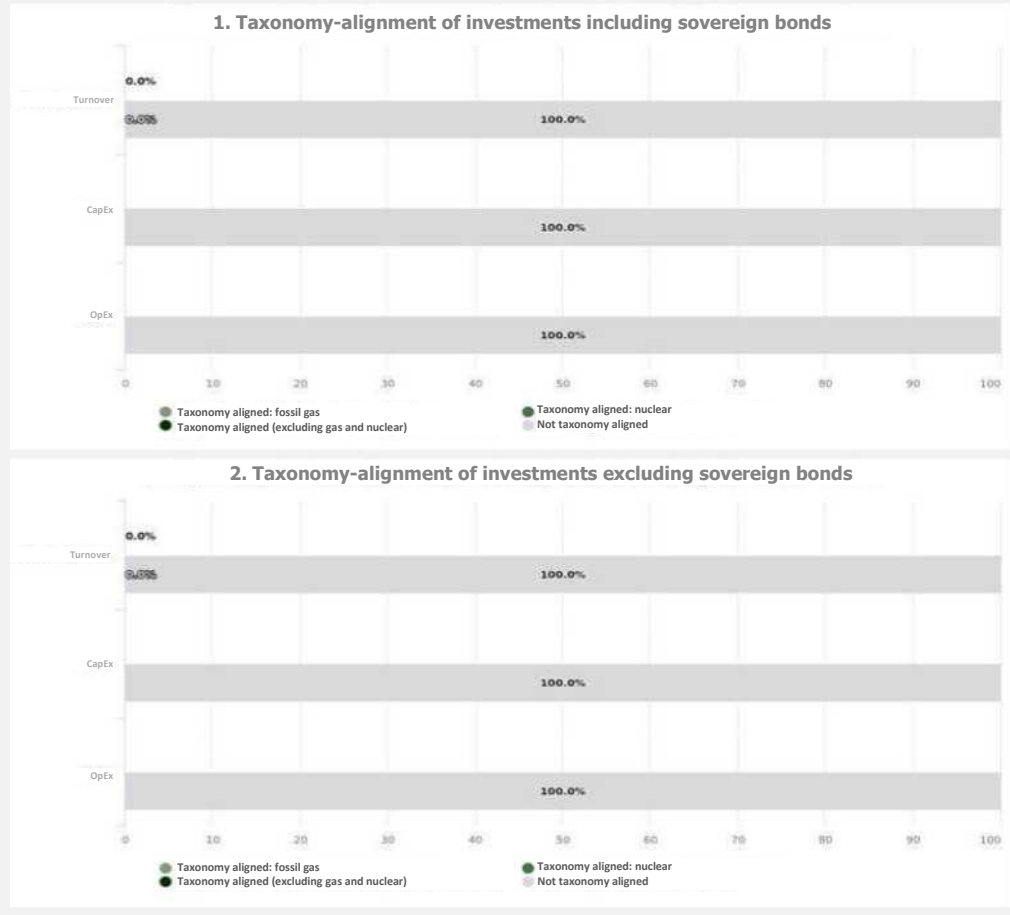
- **turnover** reflects the “greenness” of investee companies today;
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy;
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

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

- ***Has the financial product invested in Taxonomy aligned activities linked to fossil fuels and/or nuclear energy?***

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

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



Enabling activities

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

Transitional activities

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

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

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

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

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

Not applicable



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



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

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy is 43,75%

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



What was the share of socially sustainable investments?

The share of socially sustainable investments is 24,92%.

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



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

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 9,51%.

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

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

- The non-financial analysis rate

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

This rate is expressed as a percentage of total assets.

Over the past period, the non-financial analysis rate was 90,49% on average.

- The portfolio's average ESG rating

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

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

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



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



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

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

Not applicable.

- ***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.