

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

## **LAZARD EURO CREDIT SRI**

### **ANNUAL REPORT**

as of March 31st, 2023

Management company: Lazard Frères Gestion SAS

Custodian: Caceis Bank

Statutory auditor: PricewaterhouseCoopers Audit

## CONTENTS

1. CHARACTERISTICS OF THE UCI	Erreur ! Signet non défini.
2. CHANGES AFFECTING THE UCI	Erreur ! Signet non défini.
3. MANAGEMENT REPORT	Erreur ! Signet non défini.
4. REGULATORY INFORMATION	20
5. CERTIFICATION BY THE STATUTORY AUDITOR	Erreur ! Signet non défini.
6. ANNUAL FINANCIAL STATEMENTS	Erreur ! Signet non défini.
7. APPENDIX(ES)	Erreur ! Signet non défini.
SFDR information	Erreur ! Signet non défini.

# KEY INFORMATION DOCUMENT

## Lazard Euro Credit SRI

# LAZARD

FRÈRES GESTION

### OBJECTIVE

*This document contains key information about the investment product. It is not a sales document. This information is required by law to help you understand the nature and potential risks, costs, gains and losses of this product and to help you compare it to other products.*

### PRODUCT

<b>Product name:</b>	Lazard Euro Credit SRI - PC EUR units
<b>ISIN code:</b>	FR001400DLP8
<b>PRIIPS Initiator:</b>	LAZARD FRERES GESTION SAS
<b>Website:</b>	www.lazardfreresgestion.fr
<b>Contact:</b>	+ 33 (0)1 44 13 01 79
<b>Competent authority:</b>	The French Financial Markets Authority (Autorité des Marchés Financiers- AMF)
<b>Country of authorisation and approval:</b>	This product is authorised in France.
	This product is authorised in accordance with the UCITS Directive.
<b>Document production date:</b>	07/03/2023

### WHAT DOES THIS PRODUCT CONSIST OF?

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

**Maturity:** This product does not have a maturity date

**Targeted retail investors:** This product may be suitable for retail investors with a limited level of knowledge of financial markets and products who seek exposure to bonds and other euro-denominated debt securities and who accept the risk of losing part of the invested capital. This product is not suitable for investors who do not have the recommended investment horizon (3 years).

#### Objectives:

The investment objective is to achieve, through Socially Responsible Investment (SRI) management, a performance net of management fees that exceeds that of the following simple benchmark over the recommended investment period of 3 years: ICE BofAML Euro Corporate Index. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

The Fund aims to achieve this investment objective by managing interest rate risk and credit risk by investing in euro-denominated bonds and negotiable debt securities, at fixed, variable or indexed rates. The fund has a sensitivity range of between 0 and 8.

To build his portfolio, the portfolio managers conduct their own analysis of bonds and negotiable debt securities. He also refers to agency ratings but does not rely on them solely and mechanically.

The Fund is invested as follows:

- euro-denominated bonds and negotiable debt securities rated Investment Grade by the rating agencies or an equivalent rating based on the management company's analysis. These bonds may be of any rank and of any form. Speculative/High Yield bonds (rated as such by rating agencies) or an equivalent rating based on the management company's analysis, or specialised high-yield UCIs, are authorised up to a maximum of 30% of the net assets. Bonds not rated by a ratings agency are authorised up to a maximum of 10% of the net assets;
- a maximum of 20% of the net assets in convertible bonds;
- euro-denominated bonds and negotiable debt securities issued and/or guaranteed by European Union member states;
- a maximum of 30% of the net assets in subordinated securities;
- a maximum of 10% of net assets in contingent convertible bonds (CoCos bonds);
- a maximum of 10% of the net assets in money market UCITS or AIF, short-term money market funds or French-governed bond funds;

Investment is solely made in UCITS or alternative investment funds that may not themselves invest more than 10% of their assets in other UCIs. All of these UCIs may be managed by the management company.

Exposure to securities denominated in currencies other than the euro and exposure to currency risk must remain incidental.

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

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

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

**SRI selection process:** the analyst-manager ensures that an ESG rating is maintained over the long term that is higher than the average of the top 80% of a composite index made up of 85% of the ICE BofAML Euro Corporate Index and 15% of the ICE BofA Euro Non-Financial Fixed & Floating Rate High Yield.

In order to cover the largest share of the companies in the universe, he uses an external ESG rating of 0 to 100 corresponding to the weighted average of the absolute E, S and G ratings provided by our non-financial rating partner.

The Fund may invest up to a maximum of the amount of the net assets in interest rate and currency futures, interest rate and currency swaps, interest rate options, currency forwards and credit derivatives (with CDS limited to a maximum of 40% of net assets) traded on regulated, organised and/or OTC markets to hedge, expose or arbitrage the portfolio to interest-rate and credit risk. Currency derivatives will only be used for hedging purposes. The UCI may invest up to a maximum of 100% of the net assets in securities with embedded derivatives.

**Benchmark Information:** The UCI is actively managed. The management strategy is unconstrained by the securities making up the benchmark index.

**Allocation of distributable income:**

- Allocation of net income: Accumulation
- Allocation of net realised capital gains: Accumulation

**Right of redemption:** Orders are executed in accordance with the table below

Business day	Day of establishment of the NAV (D)	Next business day (D+1)	D + 2 business days
Daily receipt of orders and daily centralisation of subscription and redemption orders before 12:00 a.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

**Name of custodian:** CACEIS BANK

**Where/how to obtain information on the UCI:**

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

## WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

**Risk indicator:**



The risk indicator assumes that you keep the product for 3 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return. This product provides no capital guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption. Other sizeable risks not taken into account in the indicator:

Recommended holding period:  
3 years

- Credit risk
- Derivatives risk

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product as risk class 2 out of 7, which is a low risk class.

**Performance scenarios:**

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you will get from this product depends on future market performance. Future market developments are random and cannot be accurately predicted. The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product and of a benchmark index over the past 10 years. The scenarios presented represent examples based on past performance and certain assumptions. Markets could evolve very differently in the future.

Recommended holding period: 3 years Investment example: 10 000 €			
Scenarios		If you exit after 1 year	If you exit after 3 years
<i>Minimum</i>	<i>There is no guaranteed minimum return. You could lose all or part of your investment.</i>		
Pressure	<i>What you could get after deducting costs</i>	€7 850	€8 820
	<b>Average annual return</b>	-21,5%	-4,1%
Unfavourable	<i>What you could get after deducting costs</i>	€8 720	€8 820
	<b>Average annual return</b>	-12,8%	-4,1%
Intermediary	<i>What you could get after deducting costs</i>	€10 230	€10 680
	<b>Average annual return</b>	2,3%	2,2%
Favourable	<i>What you could get after deducting costs</i>	€11 110	€11 080
	<b>Average annual return</b>	11,1%	3,5%

The stress scenario shows what you could get in extreme market situations.

Adverse scenario: This type of scenario occurred for an investment between 14/10/2021 and 14/10/2022

Interim scenario: This type of scenario occurred for an investment between 14/05/2016 and 14/05/2017

Favourable scenario: This type of scenario occurred for an investment between 14/04/2020 and 14/04/2021

## WHAT HAPPENS IF LAZARD FRERES GESTION SAS IS UNABLE TO MAKE PAYMENTS?

LAZARD FRERES GESTION SAS manages the product but the product's assets are kept by the custodian. Consequently, a default by LAZARD FRÈRES GESTION SAS would not affect the product's assets.

## WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

**Costs over time:**

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed that:

- in the first year you will get back the amount you invested (annual return of 0%)
- for the other holding periods, the product evolves as indicated in the intermediate scenario
- EUR 10 000 is invested

The costs presented do not include any life insurance policy costs.

	If you exit after 1 year	If you exit after 3 years
Total costs	€60	€192
Impact of annual costs	0,6%	0,6% each year

(\*) It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 2,8% before deduction of costs and 2,2% after deduction of costs.

**Breakdown of costs:**

One-off costs at entry or exit		If you exit after 1 year
Entry costs	We do not charge entry costs.	Up to €0
Exit costs	We do not charge exit costs.	€0
Recurring costs incurred each year		
Management fees and other administrative and operating costs	0,4% of the value of your investment per year. This estimate is based on actual costs over the past year.	€35
Transaction costs	0,2% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	€25
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	€0

**HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?****Recommended holding period: 3 years**

This product does not have a minimum holding period requirement. The recommended holding period (3 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

**HOW CAN I MAKE A COMPLAINT?**

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By email: [lfg.juridique@lazard.fr](mailto:lfg.juridique@lazard.fr)

A description of the complaint handling process is available on our website at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

**OTHER RELEVANT INFORMATION**

You can obtain more information on this product on the website of LAZARD FRERES GESTION SAS. A hard copy may be obtained free-of-charge on request. You can also find information on the product's performance over the past years and performance scenario calculations at [https://www.lazardfreresgestion.fr/FR/Fiche-fonds\\_93.html?idFond=CR2](https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=CR2)

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<b>ISIN code:</b>	FR001400FNL8
<b>PRIIPS Initiator:</b>	LAZARD FRERES GESTION SAS
<b>Website:</b>	www.lazardfreresgestion.fr
<b>Contact:</b>	+ 33 (0)1 44 13 01 79
<b>Competent authority:</b>	The French Financial Markets Authority (Autorité des Marchés Financiers- AMF)
<b>Country of authorisation and approval:</b>	This product is authorised in France.
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### WHAT DOES THIS PRODUCT CONSIST OF?

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#### Objectives:

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The Fund aims to achieve this investment objective by managing interest rate risk and credit risk by investing in euro-denominated bonds and negotiable debt securities, at fixed, variable or indexed rates. The fund has a sensitivity range of between 0 and 8.

To build his portfolio, the portfolio managers conduct their own analysis of bonds and negotiable debt securities. He also refers to agency ratings but does not rely on them solely and mechanically.

The Fund is invested as follows:

- euro-denominated bonds and negotiable debt securities rated Investment Grade by the rating agencies or an equivalent rating based on the management company's analysis. These bonds may be of any rank and of any form. Speculative/High Yield bonds (rated as such by rating agencies) or an equivalent rating based on the management company's analysis, or specialised high-yield UCIs, are authorised up to a maximum of 30% of the net assets. Bonds not rated by a ratings agency are authorised up to a maximum of 10% of the net assets;
  - a maximum of 20% of the net assets in convertible bonds;
  - euro-denominated bonds and negotiable debt securities issued and/or guaranteed by European Union member states;
  - a maximum of 30% of the net assets in subordinated securities;
  - a maximum of 10% of net assets in contingent convertible bonds (CoCos bonds);
  - a maximum of 10% of the net assets in money market UCITS or AIF, short-term money market funds or French-governed bond funds;
- Investment is solely made in UCITS or alternative investment funds that may not themselves invest more than 10% of their assets in other UCIs. All of these UCIs may be managed by the management company.

Exposure to securities denominated in currencies other than the euro and exposure to currency risk must remain incidental.

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

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

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

**SRI selection process:** the analyst-manager ensures that an ESG rating is maintained over the long term that is higher than the average of the top 80% of a composite index made up of 85% of the ICE BofAML Euro Corporate Index and 15% of the ICE BofA Euro Non-Financial Fixed & Floating Rate High Yield.

In order to cover the largest share of the companies in the universe, he uses an external ESG rating of 0 to 100 corresponding to the weighted average of the absolute E, S and G ratings provided by our non-financial rating partner.

The Fund may invest up to a maximum of the amount of the net assets in interest rate and currency futures, interest rate and currency swaps, interest rate options, currency forwards and credit derivatives (with CDS limited to a maximum of 40% of net assets) traded on regulated, organised and/or OTC markets to hedge, expose or arbitrage the portfolio to interest-rate and credit risk. Currency derivatives will only be used for hedging purposes. The UCI may invest up to a maximum of 100% of the net assets in securities with embedded derivatives.

**Benchmark Information:** The UCI is actively managed. The management strategy is unconstrained by the securities making up the benchmark index.

**Allocation of distributable income:**

- Allocation of net income: Accumulation
- Allocation of net realised capital gains: Accumulation

**Right of redemption:** Orders are executed in accordance with the table below

Business day	Day of establishment of the NAV (D)	Next business day (D+1)	D + 2 business days
Daily receipt of orders and daily centralisation of subscription and redemption orders before 12:00 a.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

**Name of custodian:** CACEIS BANK

**Where/how to obtain information on the UCI:**

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

## WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

**Risk indicator:**



The risk indicator assumes that you keep the product for 3 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return. This product provides no capital guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption. Other sizeable risks not taken into account in the indicator:

- Credit risk
- Derivatives risk

Recommended holding period:  
**3 years**

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product as risk class 2 out of 7, which is a low risk class.

**Performance scenarios:**

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you will get from this product depends on future market performance. Future market developments are random and cannot be accurately predicted. The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product and of a benchmark index over the past 10 years. The scenarios presented represent examples based on past performance and certain assumptions. Markets could evolve very differently in the future.

Recommended holding period: 3 years Investment example: €10 000			
Scenarios		If you exit after 1 year	If you exit after 3 years
<i>Minimum</i>	<i>There is no guaranteed minimum return. You could lose all or part of your investment.</i>		
Pressure	<i>What you could get after deducting costs</i>	€7 850	€8 790
	<b>Average annual return</b>	-21,5%	-4,2%
Unfavourable	<i>What you could get after deducting costs</i>	€8 750	€8 790
	<b>Average annual return</b>	-12,5%	-4,2%
Intermediary	<i>What you could get after deducting costs</i>	€10 210	€10 660
	<b>Average annual return</b>	2,1%	2,2%
Favourable	<i>What you could get after deducting costs</i>	€11 240	€11 050
	<b>Average annual return</b>	12,4%	3,4%

The stress scenario shows what you could get in extreme market situations.

Adverse scenario: This type of scenario occurred for an investment between 30/09/2021 and 30/09/2022

Interim scenario: This type of scenario occurred for an investment between 30/06/2016 and 30/06/2017

Favourable scenario: This type of scenario occurred for an investment between 30/03/2020 and 30/03/2021

## WHAT HAPPENS IF LAZARD FRÈRES GESTION SAS IS UNABLE TO MAKE PAYMENTS?

LAZARD FRÈRES GESTION SAS manages the product but the product's assets are kept by the custodian. Consequently, a default by LAZARD FRÈRES GESTION SAS would not affect the product's assets.

## WHAT WILL THIS INVESTMENT COST ME?

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**Costs over time:**

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed that:

- in the first year you will get back the amount you invested (annual return of 0%)
- for the other holding periods, the product evolves as indicated in the intermediate scenario
- EUR 10 000 is invested

The costs presented do not include any life insurance policy costs.

	If you exit after 1 year	If you exit after 3 years
Total costs	€55	€177
Impact of annual costs	0,6%	0,6% each year

(\*) It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 2,8% before deduction of costs and 2,2% after deduction of costs.

**Breakdown of costs:**

One-off costs at entry or exit		If you exit after 1 year
Entry costs	We do not charge entry costs.	Up to €0
Exit costs	We do not charge exit costs.	€0
Recurring costs incurred each year		
Management fees and other administrative and operating costs	0,3% of the value of your investment per year. This estimate is based on actual costs over the past year.	€34
Transaction costs	0,2% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	€22
Incidental costs incurred under specific conditions		
Performance-related fees	0,0%. The actual amount varies depending on the performance of your investment. The above estimate of total costs includes the average over the past 5 years.	€0

**HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?****Recommended holding period: 3 years**

This product does not have a minimum holding period requirement. The recommended holding period (3 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

**HOW CAN I MAKE A COMPLAINT?**

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

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A description of the complaint handling process is available on our website at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

**OTHER RELEVANT INFORMATION**

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### PRODUCT

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<b>ISIN code:</b>	FR0010751008
<b>PRIIPS Initiator:</b>	LAZARD FRERES GESTION SAS
<b>Website:</b>	www.lazardfreresgestion.fr
<b>Contact:</b>	+ 33 (0)1 44 13 01 79
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The Fund is invested as follows:

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  - a maximum of 20% of the net assets in convertible bonds;
  - euro-denominated bonds and negotiable debt securities issued and/or guaranteed by European Union member states;
  - a maximum of 30% of the net assets in subordinated securities;
  - a maximum of 10% of net assets in contingent convertible bonds (CoCos bonds);
  - a maximum of 10% of the net assets in money market UCITS or AIF, short-term money market funds or French-governed bond funds;
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The fund is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, selection of securities and weighting.

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**Benchmark Information:** The UCI is actively managed. The management strategy is unconstrained by the securities making up the benchmark index.

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**Name of custodian:** CACEIS BANK

**Where/how to obtain information on the UCI:**

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

## WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

**Risk indicator:**



The risk indicator assumes that you keep the product for 3 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return. This product provides no capital guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption. Other sizeable risks not taken into account in the indicator:

- Credit risk
- Derivatives risk

Recommended holding period:  
**3 years**

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product as risk class 2 out of 7, which is a low risk class.

**Performance scenarios:**

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you will get from this product depends on future market performance. Future market developments are random and cannot be accurately predicted. The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product over the past 10 years. The scenarios presented represent examples based on past performance and certain assumptions. Markets could evolve very differently in the future.

Recommended holding period: 3 years Investment example: €10 000			
Scenarios		If you exit after 1 year	If you exit after 3 years
<i>Minimum</i>			
<i>There is no guaranteed minimum return. You could lose all or part of your investment.</i>			
Pressure	<i>What you could get after deducting costs</i>	€7 540	€8 460
	<b>Average annual return</b>	-24,7%	-5,4%
Unfavourable	<i>What you could get after deducting costs</i>	€8 370	€8 460
	<b>Average annual return</b>	-16,3%	-5,4%
Intermediary	<i>What you could get after deducting costs</i>	€9 820	€10 250
	<b>Average annual return</b>	-1,8%	0,8%
Favourable	<i>What you could get after deducting costs</i>	€10 670	€10 640
	<b>Average annual return</b>	6,7%	2,1%

The stress scenario shows what you could get in extreme market situations.

Adverse scenario: This type of scenario occurred for an investment between 14/10/2021 and 14/10/2022

Interim scenario: This type of scenario occurred for an investment between 14/05/2016 and 14/05/2017

Favourable scenario: This type of scenario occurred for an investment between 14/04/2020 and 14/04/2021

## WHAT HAPPENS IF LAZARD FRÈRES GESTION SAS IS UNABLE TO MAKE PAYMENTS?

LAZARD FRÈRES GESTION SAS manages the product but the product's assets are kept by the custodian. Consequently, a default by LAZARD FRÈRES GESTION SAS would not affect the product's assets.

## WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

**Costs over time:**

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed that:

- in the first year you will get back the amount you invested (annual return of 0%)
- for the other holding periods, the product evolves as indicated in the intermediate scenario
- EUR 10 000 is invested

The costs presented do not include any life insurance policy costs.

	If you exit after 1 year	If you exit after 3 years
Total costs	€474	€637
Impact of annual costs	4,8%	2,2% each year

(\*) It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 3,0% before deduction of costs and 0,8% after deduction of costs.

**Breakdown of costs:**

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4,0% of the amount invested. This is the maximum amount you could be required to pay. The person selling you the product will inform you of the actual costs.	Up to €400
Exit costs	We do not charge exit costs.	€0
Recurring costs incurred each year		
Management fees and other administrative and operating costs	0,5% of the value of your investment per year. This estimate is based on actual costs over the past year.	€50
Transaction costs	0,2% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	€24
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	€0

**HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?****Recommended holding period: 3 years**

This product does not have a minimum holding period requirement. The recommended holding period (3 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

**HOW CAN I MAKE A COMPLAINT?**

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By email: [lfg.juridique@lazard.fr](mailto:lfg.juridique@lazard.fr)

A description of the complaint handling process is available on our website at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

**OTHER RELEVANT INFORMATION**

You can obtain more information on this product on the website of LAZARD FRERES GESTION SAS. A hard copy may be obtained free-of-charge on request. You can also find information on the product's performance over the past years and performance scenario calculations at [https://www.lazardfreresgestion.fr/FR/Fiche-fonds\\_93.html?idFond=CR1](https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=CR1)

## 2. CHANGES AFFECTING THE UCI

The Chairman of the management company Lazard Frères Gestion SAS made the following decision in relation to the **LAZARD SUSTAINABLE EURO CREDIT** fund (ISIN codes: FR0010751008):

- 1) Modification of the investment strategy in line with the Fund's SRI certification;
- 2) Change of name: LAZARD SUSTAINABLE EURO CREDIT becomes LAZARD EURO CREDIT SRI.

➤ **Effective date: 15/06/2022.**

The Chairman of the management company Lazard Frères Gestion SAS made the following decision in relation to the **LAZARD EURO CREDIT SRI** fund (ISIN codes: FR0010751008):

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

➤ **Effective date: 16/08/2022.**

The Chairman of the management company Lazard Frères Gestion SAS made the following decision in relation to the **LAZARD EURO CREDIT SRI** fund (ISIN codes: FR0010751008 - FR001400DLP8):

- 1) The existing unit (FR0010751008) is given the name "RC EUR";
- 2) Increase in actual financial management fees for existing units: from 0,50% of net assets to a maximum of 1,00% (incl. taxes) of net assets;
- 3) Implementation of swing pricing;
- 4) Change in the authorised CDS limit: maximum 40% of net assets, instead of maximum 20% of net assets;
- 5) Creation of a new "PC EUR" unit (ISIN code: FR001400DLP8).

➤ **Effective date: 15/12/2022.**

The **LAZARD EURO CREDIT SRI** Fund's KIID (ISIN code: FR0010751008 - FR001400DLP8) 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 **LAZARD EURO CREDIT SRI** fund (ISIN codes: FR001400FNL8) to create a new "PVC EUR" unit (ISIN code: FR001400FNL8).

➤ **Effective date: 07/03/2023.**

### 3. MANAGEMENT REPORT

#### PERFORMANCE

The UCI's performance over the period for the RC EUR unit was: -5,25%.

The benchmark's performance over the period was: -7,70%.

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

#### ECONOMIC ENVIRONMENT

##### Economy

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

The energy shock was less severe than expected in Europe at the end of 2022, however, and some of the factors that had fuelled the price increase began to reverse. Energy prices started to fall again and the easing of supply problems led to a slowdown in goods inflation. In contrast, service inflation remained high and labour markets generally tight, posing the risk that inflation could settle in at a level persistently above central banks' target.

Growth came as a welcome surprise in Western countries in Q1 2023, despite central banks' efforts to curb activity and counter inflation. 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.

### IMF growth forecasts

Real GDP growth (%)	2022	2023	2024
World	3,4	2,8	3,0
Developed countries	2,7	1,3	1,4
Emerging countries	4,0	3,9	4,2
Eurozone	3,5	0,8	1,4
United States	2,1	1,6	1,1
Japan	1,1	1,3	1,0
United Kingdom	4,0	-0,3	1,0
China	3,0	5,2	4,5
India	6,8	5,9	6,3
Brazil	2,9	0,9	1,5
Russia	-2,1	0,7	1,3

IMF Economic Outlook, April 2023

\* The data and forecasts for India are presented based on the budget year

### 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%.

In the second quarter of 2022, the decline amplified as central banks' monetary policy tightening, lockdowns in China and reduced Russian gas supplies to Europe fuelled fears of recession.

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

The equity markets rose sharply in the fourth quarter of 2022. The bulk of the rebound took place in October and November, as investors again anticipated a monetary policy pivot and a rebound in Chinese growth. The movement reversed in December following the ECB's very tough stance.

In the first quarter of 2023, 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

### April 2022

Sovereign yields rose sharply in April. The prospect of a protracted war in Ukraine and the strengthening of Western sanctions against Russia, together with the repeated lockdowns in China and their consequences on the supply chain, combined to accentuate inflationary effects, prompting central banks to speed up measures to exit ultra-accommodating policies.

In Europe, the rises illustrate growing risk aversion: the 10-year Bund rose 39bp to 0,94% at the end of the month, its highest point since June 2015, while the French 10-year yield rose 48bp and peripheral countries recorded increases ranging from 54bp (Spain) to 74bp (Italy). The gathering clouds ended up denting credit's resilience: spreads widened across all segments and sectors, but without completely reversing the tightening recorded in March.

The portfolio's structure changed marginally with 57% in non-financial credit of which 8% in HY credit and 34% in financial bonds of which 5% in T2 subordinated debt and 2% in T1/AT1. Modified duration was raised slightly to 2,9, corresponding to 59% relative exposure.

### May 2022

The month was marked by sovereign yields that continued to rise in Europe, but fell in the United States, due in particular to the prospect of less aggressive rate hikes by the Fed.

The 10-year Bund rose by 18bp to end the month at 1,12%, followed by the other countries in compliance with the risk hierarchy, which further increases peripheral spreads versus core spreads (the Italy/Germany spread reached 200bp). The US 10-year rate ended up falling by 9bp, ending the month at 2,85%, after having crossed the symbolic 3% mark on May 6th. In this relatively adverse general environment - fears about the growth cycle, acceleration of inflation in Europe and localised lockdowns in China - credit proved fairly resilient. Spreads admittedly widened but the variation was moderate, from +5bp to +12bp depending on the index (and +23bp for Corporate HY). The primary market was active over the month with close to €60bn issued, evenly split between financial and corporate issuers.

The portfolio's structure changed marginally with 55% in non-financial credit of which 8% in HY credit and 32% in financial bonds of which 5% in T2 subordinated debt and 2% in T1/AT1. Modified duration was slightly reduced to 2,6, corresponding to 53% relative exposure.

### June 2022

Interest rates rose everywhere in June, driven by central bank policies to peaks not seen for eight years (in Europe) and 11 years (in the US), before falling back partially during the last ten days of the month due to fears about growth. Lastly, the 10-year Bund rose by 21bp to 1,33%. Peripheral countries' interest rates rose slightly less as they awaited the ECB's upcoming anti-fragmentation tool. France, with its uncertain political situation, was the exception, with the 10-year OAT rising by 28bp (1,91%).

These movements were accompanied by a slight steepening, while the US curve flattened. Credit ended up losing ground in all asset classes. Euro IG credit widened by 52bp, subordinated and hybrid spreads rose by 75bp to 152bp and Euro and US HY spreads rose by 165bp to 175bp. The primary market suffered from this development and recorded a sharp decline. The portfolio's structure changed marginally with 55% in non-financial credit of which 8% in HY credit and 32% in financial bonds of which 6% in T2 subordinated debt and 1% in T1/AT1. Modified duration was raised slightly to 2,7, corresponding to 56% relative exposure.

Information for unitholders: SRI label obtained with an effective date of July 15th, 2022, and modification of the fund's name: Lazard Sustainable Euro Credit becomes Lazard Euro Credit SRI

## July 2022

The June/July sequence illustrates the dilemma facing central banks: keeping inflation in check without undermining growth.

The former challenge set the trend for interest rates in June, while the latter took over in July: doubts about the pace and extent of future key rate hikes drove interest rates down, by around 55bp for 10-year yields in Europe (-52bp for the Bund, which closed the month at 0,81%). The one exception was Italy, whose political situation was once again a cause for concern, with a fall limited to 25bp (and a spread well over 200bp). The United States was not far behind, with the 10-year T-Note down 37bp to 2,65%. Yield curves flattened significantly in the 2Y-10Y segment, by 15bp in Germany and by 30bp in the US. Risk aversion fell sharply and all credit indices tightened, especially high beta indices. Activity in the IG primary market was limited, with only €8bn issued. The portfolio's exposure to credit risk rose from 87% to 94% (87% cash securities and 7% CDS Main), with 53% non-financial credit, including 8% HY credit, and 34% financial bonds, including 6% T2 subordinated and 1% T1/AT1.

Modified duration was raised to 3,2, corresponding to 65% relative exposure.

Information for unitholders: SRI label obtained with an effective date of July 15th, 2022, and modification of the fund's name: Lazard Sustainable Euro Credit becomes Lazard Euro Credit SRI

## August 2022

Sovereign yields had fallen in July due to the outlook for sluggish growth, but in August they more than made up for lost ground.

The theme of contending with persistent inflation took precedence, with the Jackson Hole symposium as a highlight at the end of the month. The yield on the 10Y Bund rose by 72bp over the period, ending the month at 1,54%, and the other 10Y sovereign yields in the Eurozone rose slightly more. In the US, which is not experiencing the same surge in gas and electricity costs as Europe, the trend is the same but the movement is smaller. The 10-year T-Note rose 54bp to 3,19%. Curves flattened in all regions, and credit held up remarkably well in this environment. IG and subordinated bond spreads widened modestly while corporate hybrid and HY spreads tightened sharply. The primary market remained buoyant for August, with new issues mainly in the banking sector.

The portfolio's exposure to credit risk fell from 94% to 89%, with 54% non-financial credit, including 8% HY credit, and 35% financial bonds (bank T2 7% and AT1 1%). Modified duration remained unchanged at 3,1, corresponding to 67% relative exposure.

## September 2022

Sovereign yields extended the August movement with a further sharp and relatively uniform rise (10Y Bund: +57bp to 2,11%).

The Eurozone shows no sign of fragmentation, with French, Spanish and Portuguese yields rising in the same proportions. The most fragile/indebted countries, Greece and Italy, widened only slightly, in the latter despite the election victory of the far-right coalition. (10Y BTP: +62bp and Bund/BTP spread at 240bp). The ECB, then the Fed, each raised their key rates by 75bp, taking the deposit facility rate to 0,75% and the Fed Funds rate to 3,25%. Threats to growth, particularly in Europe, have not deterred central banks from their determination to curb inflation. As with yields, credit spreads trended upwards and even accelerated slightly compared with August.

This time, the widening affected all asset classes. Market weakness and volatility weighed on primary activity, with only €44bn issued according to Barclays.

The portfolio's exposure to credit risk was stable at 89%, with 55% non-financial credit, including 8% HY credit, and 34% financial bonds (bank T2 7% and AT1 0.3%). Modified duration was virtually unchanged at 3,1, corresponding to 66% relative exposure.

## October 2022

The strong upward movement in European sovereign yields marked a pause in October.

The 10Y Bund rose by 3bp to 2,14% while peripheral bonds fell moderately (France: -4bp to 2,67%, Portugal: -4bp to 3,14% and Spain: -8bp to 3,22%), with the exception of Italy (-22bp to 4,16%), which probably benefited from Giorgia Meloni's maiden speech and the announcement of a relatively consensual cabinet.

Volatility nonetheless remained very high: yields rose until the 24th, then the trend reversed, with PMIs holding some surprises. Lastly, the ECB's decision to raise its key interest rates by a further 75bp, combined with a relatively hawkish stance, drove yields up again. The relative calm in the UK, with the appointment of Rishi Sunak as prime minister, also contributed to the reversal in yields. In the US, the 10Y T-Note ended the month up 22bp to 4,05% despite the publication of PMIs that were worse than in Europe. Credit spreads tightened, supported by good Q3 earnings releases.

The primary market remained active (financials €16bn and Corporate: €22bn according to Barclays).



At the end of October, the portfolio's exposure to credit risk was down slightly to 87%, with 55% non-financial credit, including 7% HY credit, and 32% financial bonds, including 6% financial T2. Modified duration was actively managed between 2 and 4. It was raised to 3,9 (vs 3,1 at end-September), corresponding to 84% of relative exposure.

## November 2022

Sovereign yields fell sharply for the second time this year after July, in a reversal of the upward movement that began in January.

The month had begun with another 75bp hike in the Fed Funds rate, the 4th consecutive such rise. From November 8th onwards, yields fell back, under the combined influence of rumours of an easing of China's zero-Covid policy, US earnings releases confirming the resilience of growth and employment, and less clearly hawkish statements from central banks. Future interest rate hikes are now expected to be smaller. Over the period, the yield on the 10-year T-Note dropped by 44bp, ending the month at 3,61%. Although the decline appears to be less severe in the Eurozone, it is nevertheless widespread: -21bp for the 10Y Bund to 1,93%, between 26bp and 28bp for France, Spain and Portugal to 2,40%, 2,94% and 2,87% respectively, -44bp for Italy to 4,10% and -48bp for Greece to 3,87%.

This environment encouraged a general move back into risky assets, leading to a tightening of credit spreads. The primary market remained active (financials: €44bn and corporates: €27bn according to Barclays).

At the end of November, the portfolio's exposure to credit risk had risen to 92%, with 56% non-financial credit, including 8% HY credit, and 37% financial bonds, including 8% financial T2. Modified duration was actively managed between 2 and 4. It stood at 3,7 at the end of November, corresponding to 79% relative exposure.

## December 2022

2022 will have been a watershed year for sovereign yields, combining a sharp rise with high volatility.

The main driver was much higher-than-expected inflation, which reached multi-decade highs and led central banks to start their tightening cycle aggressively. At the same time, investors had to contend with geopolitical turmoil, with Russia's invasion of Ukraine leading to massive spikes in energy and food prices.

In December, the ECB and the Fed raised their key rates again, albeit to a lesser extent than the previous hikes, by 50bp versus 75bp. The ECB even surprised the markets by announcing it would start to reduce its balance sheet from March 2023 onwards. This resulted in widespread tightening in the Eurozone, with the 10y Bund up 64bp to end the year at 2,57% (vs. -0,18% at end-2021) but with the German curve remaining inverted. Against this backdrop, credit spreads continued the tightening movement initiated in November, but ended 2022 with a widening. The primary market experienced its traditional lull in December, with supply reaching only €4.6bn.

At the end of December, the portfolio's exposure to credit risk had risen to 93%, with 55% non-financial credit, including 8% HY credit, and 37% financial bonds, including 8% subordinated financial. Modified duration was actively managed between 2 and 4. It stood at 4,0 at the end of December, corresponding to 88% relative exposure.

Information for unitholders: Lazard Frères Gestion decided to make the following changes to the Fund: 1/ The existing unit (FR0010751008) is now called "RC EUR", 2/ The actual management fees for the existing unit was increased from 0,50% of net assets to a maximum of 1,00% (incl. taxes) of net assets, 3/ Swing pricing was implemented, 4/ The authorised CDS limit was modified: maximum 40% of net assets, instead of maximum 20% of net assets, 4/ a "PC EUR" unit was created. These changes took effect from 15/12/2022.

## January 2023

The markets had a very good start to the year and sovereign yields fell across the board in January, generally dominated by the idea that the tightening of central banks' monetary policies was bearing fruit in terms of controlling inflation, and by the observation that the economy was slowing down, which was expected.

Up to January 19th, 10-year yields fell by 50bp on both sides of the Atlantic, hitting lows on January 18th of 2,01% for the Bund and of 3,37% for the T-Note. On January 19th in Davos, Christine Lagarde firmly repeated that the goal was far from being achieved. The Bund therefore went back on the rise until the end of the month, cancelling out part of the fall observed until then, but ended the month at 2,28% (-28bp). Other sovereign bonds in the zone fell more sharply, from 36bp to 40bp for France, Portugal and Spain, and 50bp for Italy. In the United States, the decline was also halted on the 19th, with several Fed members also making statements arguing for firmness. The 10Y T-Note ended the month down 37bp at 3,51%.

Against this backdrop, credit spreads continued to tighten, despite a very active primary market with €108bn issued according to Barclays (€70bn for financials and €39bn for corporates).

At the end of January, the portfolio's exposure to credit risk had risen to 99%, with 53% non-financial credit, including 9% HY credit, and 46% financial bonds, including 11% subordinated financial. Modified duration was actively managed between 2 and 4. It stood at 3,7 at end-January, corresponding to 81% relative exposure.

## February 2023

Sovereign rates rose steadily throughout the month, more or less cancelling out the easing of January.

The theme is fairly simple: inflation is falling but less than expected, and core inflation remains very high. This is fuelling continued strong rhetoric from central bankers and pushing back the prospects for a less restrictive monetary policy to at least 2024. The recovery of the Chinese economy is also inflationary. As a result, on 10-year yields, the T-Note was up 41bp to 3,92% and Germany and France rose 37bp to 2,65% and 3,12% respectively. The inversion of the yield curve became even more pronounced as the medium/long-term growth outlook was bound to be affected by persistent inflation. Credit margins ended the month tighter, despite a widening in the second half. Primary activity normalised in February, after an exceptional January, particularly for financials: €23bn for financials and €26bn for corporates.

At the end of February, the portfolio's exposure to credit risk was down to 87%: 48% non-financial credit including 8% HY credit, 43% financial bonds including 11% financial subordinated, and 4% CDS (hedging). Modified duration was actively managed between 2 and 4. It stood at 3,3 at the end of February, corresponding to 72% relative exposure.

## March 2023

March was a very volatile month, the main event being the banking crisis, which triggered a 'flight to quality' in the markets, first in the United States following SVB's collapse and then propagating to Europe following UBS's emergency takeover of Credit Suisse.

Sovereign bond yields fell by 30bp to 39bp in the Eurozone in March, except for Greece (-23bp). The Bund ended the month at 2,29% (-36bp). The fall was even more pronounced in the United States: -45bp for the 10Y T-Note to 3,47%. Yield curves steepened again as a result of an even steeper fall in short-term interest rates. The central banks had nevertheless raised their key rates as expected, by 25bp for the Fed and by 50bp for the ECB, drawing the consequences of an inflation that is showing only modest signs of abating. In this context of risk aversion and volatility, credit spreads widened significantly.

Primary activity was down with the primary market closed for part of the month: €17bn for financials and €24bn for corporates.

At the end of March, the portfolio's exposure to credit risk was down to 89%: 50% non-financial credit including 7% HY credit, 39% financial bonds including 10% financial subordinated. Modified duration was actively managed between 2 and 4. It stood at 2,5 at the end of March, corresponding to 54% relative exposure.

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

Securities	Changes (“accounting currency”)	
	Purchases	Sales
LAZARD EURO SHORT TERM MONEY MARKET	38 768 433,66	25 533 556,18
LAZARD EURO MONEY MARKET	7 513 085,76	5 629 864,04
ABBOTT IRELAND FINANCING DAC 0.875% 27-09-23	1 978 841,60	989 350,55
BANCA IFIS 6.125% 19-01-27	1 393 966,00	1 414 594,79
CREDIT MUTUEL ARKEA 3.375% 19-09-27	973 416,16	992 060,74
UBS GROUP AG 4.625% 17-03-28	899 388,00	901 255,11
CAIXABANK 5.375% 14-11-30 EMTN	1 193 112,00	397 908,00
SCHNEIDER ELECTRIC SE 0.0000010% 12-06-23	895 626,00	593 022,00
ORANGE 3.625% 16-11-31 EMTN	1 434 181,94	
ARCELLOR MITTAL 4.875% 26-09-26	697 515,00	730 454,22

## 4. REGULATORY INFORMATION

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

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

- **Exposure through efficient management techniques: None.**
  - o Securities lending:
  - o Securities borrowing:
  - o Repurchase agreements:
  - o Reverse repurchase agreements:
  
- **Underlying exposure through derivative financial instruments: 32 927 000,00**
  - o Currency forwards:
  - o Futures: 32 927 000,00
  - o Options:
  - o Swap:

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

Efficient portfolio management techniques	Derivative financial instruments (*)
None	None

(\*) Excluding listed derivatives.

c) Collateral received by the UCITS to reduce counterparty risk

Instrument types	Amount in the currency of the portfolio
<b>Efficient portfolio management techniques</b>	
. Term deposits	
. Equities	
. Bonds	
. UCITS	
. Cash (*)	60 000,00
<b>Total</b>	<b>60 000,00</b>
<b>Derivative financial instruments</b>	
. Term deposits	
. Equities	
. Bonds	
. UCITS	
. Cash	350 000,00
<b>Total</b>	<b>350 000,00</b>

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

d) Operating income and expenses related to efficient management techniques

Operating income and expenses	Amount in the currency of the portfolio
. Income (*)	169,60
. Other income	
<b>Total income</b>	<b>169,60</b>
. Direct operating expenses	
. Indirect operating expenses	
. Other expenses	
<b>Total expenses</b>	

(\*) Income on securities lending and repurchase agreements

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

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

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

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

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

## **BROKERAGE FEES**

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

## **EXERCISING VOTING RIGHTS**

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

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

## SFDR AND TAXONOMY

### Article 8 (SFDR):

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

### Report on non-financial performance:

As of 31/03/2023, in accordance with the asset management company’s rating criteria, the portfolio’s overall rating was 58,6966 on a scale of 0 to 100. It was 56,7553 at the start date of the calculation.

Over the period measured, the portfolio’s average ESG rating ranged from 56,7553 to 58,6966. It remained higher than that of its universe.

### Reminder of the investment objective of promoting ESG criteria:

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

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

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).

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

Environmental criterion:

- Carbon emissions reduction initiatives

Social criterion:

- The percentage of women in senior management positions

Human rights criterion:

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

Governance criteria:

- 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 composite index made up of 85% of the ICE ERO0 and 15% of the ICE HEAE after eliminating the 20% worst stocks.

The risk control department ensures compliance with this criterion.

### 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.

## **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.

## **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 at LFG, LFG Luxembourg and LFG Belgique (i.e. excluding interns and trainees 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
<b>“Identified employees”</b>		
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
<b>Total</b>	<b>64</b>	<b>34 318 120</b>
<i>Note: the amounts are stated excluding charges</i>		

**OTHER INFORMATION**

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

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

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

## 5. CERTIFICATION BY THE STATUTORY AUDITOR



**STATUTORY AUDITOR'S REPORT  
ON THE ANNUAL FINANCIAL STATEMENTS  
Financial year ended March 31st, 2023**

**LAZARD EURO CREDIT SRI**  
UCITS ORGANISED AS A FRENCH OPEN-END INVESTMENT FUND  
Governed by the French Monetary and Financial Code (*Code monétaire et financier*)

Management company  
LAZARD FRERES GESTION SAS  
25 rue de Courcelles  
75008 Paris, France

### **Opinion**

In accordance with the terms of our appointment by the management company, we conducted our audit of the accompanying annual financial statements of LAZARD EURO CORP CREDIT SRI, as a French open-end investment fund, 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 UCITS at the end of said financial year, in accordance with the accounting rules and principles generally accepted in France.

### **Basis of our opinion**

#### ***Audit standards***

We conducted our audit in accordance with the professional standards applicable in France. We believe that our audit has provided us with sufficient relevant information on which to base our opinion. Our responsibilities under these standards are set out in the section entitled "*Statutory auditor's responsibilities concerning the audit of the financial statements*" in this report.

#### ***Independence***

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from 01/04/2022 to the date of issue of our report.

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*PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France*  
*T: +33 (0) 156 57 58 59, F: +33 (0) 156 57 58 60, [www.pwc.fr](http://www.pwc.fr)*

Accounting firm registered with the Order of Chartered Accountants of the Paris Ile-de-France region. Member firm of the regional institute of statutory auditors of Versailles (Compagnie régionale de Versailles). French simplified joint stock company (Société par Actions Simplifiée) with capital of €2,510,460. Registered office: 63 rue de Villiers, 92200 Neuilly-sur-Seine, France. Nanterre Trade and Companies Register: 672 006 483 VAT No. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg and Toulouse.



## LAZARD EURO CREDIT SRI

### Basis of our opinions

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the fact that the assessments that, in our professional judgement, were the most significant for the audit of the annual financial statements for the year concerned the appropriateness of the accounting principles applied, the reasonableness of the significant estimates used and the overall presentation of the financial statements.

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.

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## LAZARD EURO CREDIT SRI

### 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

#### *Audit purpose and process*

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, our audit assignment does not consist in guaranteeing the viability or quality of the management of the fund.

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

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

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## LAZARD EURO CREDIT SRI

- 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.

Pursuant to the law, we hereby inform you that we were unable to issue this report within the regulatory deadlines due to the late receipt of certain documents required to complete our work.

Neuilly-sur-Seine, date of electronic signature

*Document authenticated by electronic signature*  
The statutory auditor  
PricewaterhouseCoopers Audit  
Raphaëlle Alezra-Cabessa

2023.07.26 10:15:49 +0200

[Signature]

## 6. ANNUAL FINANCIAL STATEMENTS

### BALANCE SHEET AS Of 31/03/2023 in euros

#### ASSETS

	31/03/2023	31/03/2022
<b>NET NON-CURRENT ASSETS</b>		
<b>DEPOSITS</b>		
<b>FINANCIAL INSTRUMENTS</b>	<b>153 219 614,51</b>	<b>65 833 234,20</b>
<b>Equities and similar securities</b>		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
<b>Bonds and similar securities</b>	<b>137 992 373,29</b>	<b>65 692 774,20</b>
Traded on a regulated or equivalent market	137 992 373,29	65 692 774,20
Not traded on a regulated or equivalent market		
<b>Debt securities</b>		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
<b>Undertakings for collective investment</b>	<b>15 195 241,22</b>	
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	15 195 241,22	
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
<b>Temporary securities transactions</b>		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
<b>Forward financial instruments</b>	<b>32 000,00</b>	<b>140 460,00</b>
Transactions on a regulated or equivalent market	32 000,00	140 460,00
Other transactions		
<b>Other financial instruments</b>		
<b>RECEIVABLES</b>	<b>1 063 889,15</b>	<b>766 022,53</b>
Currency forward exchange transactions		
Other	1 063 889,15	766 022,53
<b>FINANCIAL ACCOUNTS</b>	<b>8 263 003,36</b>	<b>8 683 202,42</b>
Cash and cash equivalents	8 263 003,36	8 683 202,42
<b>TOTAL ASSETS</b>	<b>162 546 507,02</b>	<b>75 282 459,15</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	31/03/2023	31/03/2022
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	156 424 140,46	72 076 232,41
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)		
Net capital gains and losses for the year (a, b)	-1 344 029,75	1 123 840,79
Net income for the year (a,b)	637 861,00	831 761,26
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>155 717 971,71</b>	<b>74 031 834,46</b>
<i>* Sum representing the net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>	<b>32 000,00</b>	<b>140 460,00</b>
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments	32 000,00	140 460,00
Transactions on a regulated or equivalent market	32 000,00	140 460,00
Other transactions		
<b>LIABILITIES</b>	<b>6 796 535,31</b>	<b>1 110 164,69</b>
Currency forward exchange transactions		
Other	6 796 535,31	1 110 164,69
<b>FINANCIAL ACCOUNTS</b>		
Bank overdrafts		
Borrowings		
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>162 546 507,02</b>	<b>75 282 459,15</b>

(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
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
EURO SCHATZ 0622		11 073 500,00
EURO SCHATZ 0623	21 139 000,00	
EURO BOBL 0622		6 443 000,00
EURO BOBL 0623	11 788 000,00	
Commitments on OTC markets		
Other commitments		
<b>OTHER TRANSACTIONS</b>		
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
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	12 399,98	-54,65
Income from equities and similar securities	20 648,00	
Income from bonds and similar securities	1 350 173,69	1 046 840,37
Income from debt securities		
Income from temporary purchases and sales of securities	169,60	
Income from forward financial instruments		
Other financial income		
<b>TOTAL (1)</b>	<b>1 383 391,27</b>	<b>1 046 785,72</b>
<b>Expenses related to financial transactions</b>		
Expenses related to temporary purchases and sales of securities		250,90
Expenses related to forward financial instruments		
Expenses related to financial liabilities	379,17	732,63
Other financial charges		
<b>TOTAL (2)</b>	<b>379,17</b>	<b>983,53</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>1 383 012,10</b>	<b>1 045 802,19</b>
Other income (3)		
Management fees and depreciation and amortisation (4)	540 875,24	341 750,20
<b>NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>842 136,86</b>	<b>704 051,99</b>
Income adjustment for the financial year (5)	-204 275,86	127 709,27
Interim dividends paid on net income for the financial year (6)		
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>637 861,00</b>	<b>831 761,26</b>

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

### Asset valuation rules

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

o **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).

o **Fixed-income securities**

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

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

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

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

These valuations and the related supporting documentation will be provided to the statutory auditor during audits.

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

o **Negotiable debt securities:**

- **Negotiable debt securities 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, OIS and Btf swaps - 3 - 6 - 9 - 12 months Btan - 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.

o **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.

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

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

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

o **Futures and options:**

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

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

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

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

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

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

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

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

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

**Method related to swing pricing adjustments to net asset value (NAV) with a trigger level**

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

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 Fund. Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the Fund, it is not possible to accurately predict a given time in the future at which it will be applied.

Consequently, neither is it possible to predict the precise frequency at which the manager company will have to make such adjustments, which shall not exceed 2% of the NAV. Investors should be aware that the volatility of the Fund's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

**Management fees**

Management fees are calculated on each valuation day.

- The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) using the following formula:

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

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:

Between 01/04/2022 and 30/09/2022:

<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	FR0010751008	0,665%	
Administrative fees external to the management company	Net assets	Applied to the unit	0,035%	
Indirect charges (management fees and expenses)	NA	Applied to the unit	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 the unit	Fixed-income instruments	None
			Futures and other transactions	From €0 to €450 per batch/contract
Performance fee	Net assets	FR0010751008	None	

Between 03/10/2022 and 31/03/2023:

<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	RC EUR	1,0%	
		PC EUR	0,50%	
		PVC EUR	0,30%	
Operating and other service fees	Net assets	Applied to all units	0,035%	
Indirect charges (management fees and expenses)	NA	Applied to all units	None	
Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Applied to all units	Fixed-income instruments	None
			Futures and other transactions	From €0 to €450 per batch/contract
Performance fee	Net assets	RC EUR, PC EUR	None	
		PVC EUR	20% of the Fund's outperformance relative to the benchmark index	

#### Details of the calculation of the performance fee:

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

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

#### **Calculation method**

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

#### **Negative performance recovery and reference period**

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

#### **Observation period**

The first observation period will start with a period of twelve months starting on 07/03/2023. At the end of each financial year, one of the following two cases may occur:

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

#### **Provisioning**

Each time the net asset value (NAV) is established, the performance fee is subject to a provision (of 20% of the outperformance) when the performance of the UCI unit is higher than that of the notional UCI over the observation period, or to a reversal of the provision limited to the existing allocation in case of underperformance. In case of redemptions during the period, the proportion of the provision corresponding to the number of units redeemed is definitively acquired and charged by the management company.

#### **Crystallisation**

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

The first crystallisation period will end on the last day of the financial year ending on 29/03/2024.

The performance fee is deducted even in the event of a negative performance of the UCI.

#### **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 EURO CREDIT SRI PC EUR units	Accumulation	Accumulation
LAZARD EURO CREDIT SRI PVC EUR units	Accumulation	Accumulation
LAZARD EURO CREDIT SRI RC EUR units	Accumulation	Accumulation

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

	31/03/2023	31/03/2022
<b>NET ASSETS AT START OF YEAR</b>	<b>74 031 834,46</b>	<b>60 185 161,55</b>
Subscriptions (including subscription fees retained by the Fund)	179 346 044,06	22 520 796,51
Redemptions (net of redemption fees retained by the Fund)	-94 763 855,85	-5 530 602,81
Realised capital gains on deposits and financial instruments	213 779,84	1 330 235,22
Realised capital losses on deposits and financial instruments	-2 003 032,93	-274 337,87
Realised capital gains on forward financial instruments	2 650 196,18	1 765 860,00
Realised capital losses on forward financial instruments	-1 998 040,71	-1 970 431,44
Transaction charges	-8 313,31	-7 892,55
Exchange rate differences		
Changes in valuation difference of deposits and financial instruments	-2 427 316,89	-4 834 666,14
<i>Valuation difference for financial year N</i>	-4 793 866,93	-2 366 550,04
<i>Valuation difference for financial year N-1</i>	2 366 550,04	-2 468 116,10
Changes in valuation difference of forward financial instruments	-165 460,00	143 660,00
<i>Valuation difference for financial year N</i>	-25 000,00	140 460,00
<i>Valuation difference for financial year N-1</i>	-140 460,00	3 200,00
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year		
Net profit/loss for the financial year prior to income adjustment	842 136,86	704 051,99
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items		
<b>NET ASSETS AT END OF YEAR</b>	<b>155 717 971,71</b>	<b>74 031 834,46</b>



### 3. ADDITIONAL INFORMATION

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

	Amount	%
<b>ASSETS</b>		
<b>BONDS AND SIMILAR SECURITIES</b>		
Fixed-rate bonds traded on a regulated or similar market	137 662 147,81	88,41
Fixed-rate bonds traded on a regulated or similar market	330 225,48	0,21
<b>TOTAL BONDS AND SIMILAR SECURITIES</b>	<b>137 992 373,29</b>	<b>88,62</b>
<b>DEBT SECURITIES</b>		
<b>TOTAL DEBT SECURITIES</b>		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SALES OF FINANCIAL INSTRUMENTS</b>		
<b>TOTAL SALES OF FINANCIAL INSTRUMENTS</b>		
<b>OFF-BALANCE SHEET</b>		
<b>HEDGING TRANSACTIONS</b>		
Interest rate	32 927 000,00	21,15
<b>TOTAL HEDGING TRANSACTIONS</b>	<b>32 927 000,00</b>	<b>21,15</b>
<b>OTHER TRANSACTIONS</b>		
<b>TOTAL OTHER TRANSACTIONS</b>		

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>ASSETS</b>								
Deposits								
Bonds and similar securities	137 279 696,06	88,16			712 677,23	0,46		
Debt securities								
Temporary securities transactions							8 263 003,36	5,31
Financial accounts								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Temporary securities transactions								
Financial accounts								
<b>OFF-BALANCE SHEET</b>								
Hedging transactions	32 927 000,00	21,15						
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	%
<b>ASSETS</b>										
Deposits										
Bonds and similar securities	2 308 202,21	1,48	2 853 662,92	1,83	25 606 155,74	16,44	42 671 335,57	27,40	64 553 016,85	41,46
Debt securities										
Temporary securities transactions										
Financial accounts	8 263 003,36	5,31								
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
Temporary securities transactions										
Financial accounts										
<b>OFF-BALANCE SHEET</b>										
Hedging transactions					21 139 000,00	13,58	11 788 000,00	7,57		
Other transactions										

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

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

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

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

	Debit/credit item	31/03/2023
<b>RECEIVABLES</b>		
	Subscription receivables	71 969,15
	Margin cash deposits	548 795,00
	Coupons and dividends in cash	33 125,00
	Collateral	410 000,00
<b>TOTAL RECEIVABLES</b>		<b>1 063 889,15</b>
<b>LIABILITIES</b>		
	Deferred settlement purchase	6 235 619,23
	Redemptions payable	18 102,19
	Fixed management fees	132 813,89
	Collateral	410 000,00
<b>TOTAL LIABILITIES</b>		<b>6 796 535,31</b>
<b>TOTAL LIABILITIES AND RECEIVABLES</b>		<b>-5 732 646,16</b>

### 3.6. SHAREHOLDERS' EQUITY

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

	In units	In amounts
<b>LAZARD EURO CREDIT SRI PC EUR units</b>		
Units subscribed during the financial year	123 025,613	122 927 783,38
Units redeemed during the financial year	-8 608,452	-8 611 906,19
Net balance of subscriptions/redemptions	114 417,161	114 315 877,19
Number of outstanding units at end of financial year	114 417,161	
<b>LAZARD EURO CREDIT SRI PVC EUR units</b>		
Units subscribed during the financial year	1 000	1 000,00
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	1 000	1 000,00
Number of outstanding units at end of financial year	1 000	
<b>LAZARD EURO CREDIT SRI RC EUR units</b>		
Units subscribed during the financial year	42 744,659	56 417 260,68
Units redeemed during the financial year	-64 677,925	-86 151 949,66
Net balance of subscriptions/redemptions	-21 933,266	-29 734 688,98
Number of outstanding units at end of financial year	30 598,495	

#### 3.6.2. Subscription and/or redemption fees

	In amounts
<b>LAZARD EURO CREDIT SRI PC EUR units</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD EURO CREDIT SRI PVC EUR units</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
<b>LAZARD EURO CREDIT SRI RC EUR units</b>	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

### 3.7. MANAGEMENT FEES

	31/03/2023
<b>LAZARD EURO CREDIT SRI PC EUR units</b>	
Guarantee fees	
Fixed management fees	129 503,77
Percentage of fixed management fees	0,50
Retrocessions of management fees	
<b>LAZARD EURO CREDIT SRI PVC EUR units</b>	
Guarantee fees	
Fixed management fees	
Percentage of fixed management fees	
Retrocessions of management fees	
<b>LAZARD EURO CREDIT SRI RC EUR units</b>	
Guarantee fees	
Fixed management fees	411 371,47
Percentage of fixed management fees	0,59
Retrocessions of management fees	

### 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			15 195 241,22
	FR0010941815	LAZARD EURO MONEY MARKET	1 913 095,72
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET	13 282 145,50
Forward financial instruments			
<b>Total group securities</b>			<b>15 195 241,22</b>

### 3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	31/03/2023	31/03/2022
<b>Remaining amounts to be allocated</b>		
Retained earnings		
Net income	637 861,00	831 761,26
Interim dividends paid on net income for the financial year		
<b>Total</b>	<b>637 861,00</b>	<b>831 761,26</b>

	31/03/2023	31/03/2022
<b>LAZARD EURO CREDIT SRI PC EUR units</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	306 724,67	
<b>Total</b>	<b>306 724,67</b>	

	31/03/2023	31/03/2022
<b>LAZARD EURO CREDIT SRI PVC EUR units</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	1,58	
<b>Total</b>	<b>1,58</b>	

	31/03/2023	31/03/2022
<b>LAZARD EURO CREDIT SRI RC EUR units</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	331 134,75	831 761,26
<b>Total</b>	<b>331 134,75</b>	<b>831 761,26</b>

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

	31/03/2023	31/03/2022
<b>Remaining amounts to be allocated</b>		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	-1 344 029,75	1 123 840,79
Interim dividends paid on net capital gains/losses for the financial year		
<b>Total</b>	<b>-1 344 029,75</b>	<b>1 123 840,79</b>

	31/03/2023	31/03/2022
<b>LAZARD EURO CREDIT SRI PC EUR units</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-971 982,71	
<b>Total</b>	<b>-971 982,71</b>	

	31/03/2023	31/03/2022
<b>LAZARD EURO CREDIT SRI PVC EUR units</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-8,46	
<b>Total</b>	<b>-8,46</b>	

	31/03/2023	31/03/2022
<b>LAZARD EURO CREDIT SRI RC EUR units</b>		
<b>Appropriation</b>		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-372 038,58	1 123 840,79
<b>Total</b>	<b>-372 038,58</b>	<b>1 123 840,79</b>



### 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
<b>Global net assets in euros</b>	<b>71 011 640,36</b>	<b>61 376 242,04</b>	<b>60 185 161,55</b>	<b>74 031 834,46</b>	<b>155 717 971,71</b>
<b>LAZARD EURO CREDIT SRI PC EUR units in EUR</b>					
Net assets					114 861 168,71
Number of shares					114 417,161
Net asset value per unit					1 003,88
Accumulation per unit pertaining to net capital gains/losses					-8,49
Accumulation per unit pertaining to income					2,68
<b>LAZARD EURO CREDIT SRI PVC EUR units in EUR</b>					
Net assets					1 004,53
Number of shares					1 000
Net asset value per unit					1 004,53
Accumulation per unit pertaining to net capital gains/losses					-8,46
Accumulation per unit pertaining to income					1,58
<b>LAZARD EURO CREDIT SRI RC EUR units in EUR</b>					
Net assets	71 011 640,36	61 376 242,04	60 185 161,55	74 031 834,46	40 855 798,47
Number of shares	51 922,341	46 981,872	40 916,036	52 531,761	30 598,495
Net asset value per unit	1 367,65	1 306,38	1 470,94	1 409,27	1 335,22
Accumulation per unit pertaining to net capital gains/losses	-2,20	24,37	36,75	21,39	-12,15
Accumulation per unit pertaining to income	14,05	12,19	12,41	15,83	10,82

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Bonds and similar securities</b>				
<b>Bonds and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
BAYER 2.375% 12-11-79	EUR	300 000	285 974,22	0,18
CMZB FRANCFORT 0.875% 22-01-27	EUR	800 000	693 056,82	0,45
CMZB FRANCFORT 5.125% 18-01-30	EUR	1 000 000	998 316,23	0,65
DEUTSCHE BK 0.75% 17-02-27	EUR	500 000	435 672,60	0,28
DEUTSCHE BK 1.75% 19-11-30	EUR	800 000	637 384,44	0,41
DEUTSCHE LUFTHANSA AG 1.625% 16-11-23	EUR	600 000	593 180,01	0,38
DEUTSCHE PFANDBRIEFBANK AG EUAR05+2.75% 28-06-27	EUR	400 000	330 225,48	0,21
DEUTSCHE TELEKOM AG 1.75% 25-03-31	EUR	500 000	447 476,57	0,29
EEW ENERGY FROM WASTE 0.361% 30-06-26	EUR	800 000	709 115,63	0,46
HEIDELBERGCEMENT AG 3.75% 31-05-32	EUR	600 000	567 886,64	0,36
INFINEON TECHNOLOGIES AG 0.625% 17-02-25	EUR	1 000 000	948 347,67	0,60
MERCK FINANCIAL SERVICES 0.5% 16-07-28	EUR	500 000	436 842,02	0,28
MERCK KGAA 1.625% 25-06-79	EUR	500 000	477 601,85	0,30
SAP SE 0.375% 18-05-29	EUR	500 000	426 783,97	0,27
VOLKSWAGEN FINANCIAL SERVICES AG 0.375% 12-02-30	EUR	400 000	310 179,59	0,20
ZF FINANCE 5.75% 03-08-26 EMTN	EUR	500 000	507 288,53	0,33
<b>TOTAL GERMANY</b>			<b>8 805 332,27</b>	<b>5,65</b>
<b>AUSTRIA</b>				
ERSTE GR BK 4.0% 16-01-31	EUR	1 000 000	994 547,95	0,64
ERSTE GR BK 5.125% PERP EMTN	EUR	400 000	336 466,49	0,22
UNIQA VERSICHERUNGEN AG 3.25% 09-10-35	EUR	400 000	373 986,11	0,24
VILKSBANK WIEN AG 2.75% 06-10-27	EUR	400 000	382 451,75	0,24
VILKSBANK WIEN AG 7.75% PERP	EUR	200 000	175 802,09	0,11
<b>TOTAL AUSTRIA</b>			<b>2 263 254,39</b>	<b>1,45</b>
<b>BELGIUM</b>				
ARGENTA SPAARBANK 5.375% 29-11-27	EUR	1 000 000	1 005 414,79	0,65
BELFIUS SANV 5.25% 19-04-33	EUR	1 300 000	1 297 741,47	0,83
KBC GROUPE 2.875% 29-06-25	EUR	500 000	503 128,01	0,32
KBC GROUPE 4.875% 25-04-33	EUR	800 000	803 687,45	0,52
<b>TOTAL BELGIUM</b>			<b>3 609 971,72</b>	<b>2,32</b>
<b>DENMARK</b>				
DANSKE BK 0.5% 27-08-25	EUR	600 000	570 578,22	0,37
DANSKE BK 1.0% 15-05-31 EMTN	EUR	300 000	267 527,01	0,17
<b>TOTAL DENMARK</b>			<b>838 105,23</b>	<b>0,54</b>
<b>SPAIN</b>				
ABERTIS INFRA 4.125% 07-08-29	EUR	500 000	496 674,38	0,32
BANCO DE BADELL 2.625% 24-03-26	EUR	500 000	471,106,97	0,30
BANCO DE BADELL 5.125% 10-11-28	EUR	600 000	616 385,75	0,40
BANCO DE BADELL 5.25% 07-02-29	EUR	400 000	384 125,92	0,24
BANCO DE BADELL 6.0% 16-08-33	EUR	1 000 000	905 096,03	0,58
BANCO NTANDER 1.125% 23-06-27	EUR	1 000 000	904 954,25	0,59
BANKINTER 0.625% 06-10-27	EUR	300 000	258 723,66	0,17
BANKINTER 1.25% 23-12-32	EUR	500 000	410 699,08	0,26
BBVA 1.0% 21-06-26	EUR	600 000	557 404,81	0,36
BBVA 4.625% 13-01-31	EUR	900 000	911 203,83	0,59
BBVA 5.875% PERP	EUR	600 000	576 963,67	0,37

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
CAIXABANK 0.5% 09-02-29 EMTN	EUR	300 000	248 576,92	0,16
CAIXABANK 0.75% 26-05-28 EMTN	EUR	500 000	434 148,25	0,28
CAIXABANK 5.375% 14-11-30 EMTN	EUR	800 000	845 606,96	0,55
CAIXABANK SA 2.75% 14-07-28	EUR	900 000	909 252,37	0,58
CELLNEX FINANCE 1.25% 15-01-29	EUR	300 000	247 191,14	0,16
CELLNEX TELECOM 1.75% 23-10-30	EUR	800 000	647 920,05	0,41
IBERCAJA 3.75% 15-06-25	EUR	700 000	709 353,92	0,45
IBERDROLA FINANZAS SAU 4.875% PERP	EUR	1 300 000	1 271 121,48	0,82
MERLIN PROPERTIES SOCIMI 1.875% 02-11-26	EUR	1 000 000	924 914,59	0,59
TELEFONICA EMISIONES SAU 1.447% 22-01-27	EUR	500 000	466 984,68	0,30
UNICAJA BAN 2.875% 13-11-29	EUR	700 000	600 841,45	0,38
<b>TOTAL SPAIN</b>			<b>13 799 250,16</b>	<b>8,86</b>
<b>ESTONIA</b>				
AKTSIASELTS LUMINOR BANK 5.0% 29-08-24	EUR	700 000	716 903,61	0,46
<b>TOTAL ESTONIA</b>			<b>716 903,61</b>	<b>0,46</b>
<b>UNITED STATES</b>				
ABBVIE 0.75% 18-11-27	EUR	800 000	708 160,05	0,45
ATT 0.8% 04-03-30	EUR	400 000	328 295,04	0,21
AT T 1.6% 19-05-28	EUR	700 000	642 447,68	0,41
BECTON DICKINSON AND 1.9% 15-12-26	EUR	600 000	569 991,62	0,37
FORD MOTOR CREDIT CO 3.021% 06-03-24	EUR	300 000	295 940,61	0,19
LEVI STRAUSS CO 3.375% 15-03-27	EUR	400 000	373 486,50	0,24
NETFLIX 3.625% 15-05-27	EUR	700 000	705 405,07	0,45
NETFLIX INC 4.625% 15-05-29	EUR	300 000	312 525,79	0,21
VERIZON COMMUNICATION 0.875% 08-04-27	EUR	600 000	548 690,47	0,35
<b>TOTAL UNITED STATES</b>			<b>4 484 942,83</b>	<b>2,88</b>
<b>FINLAND</b>				
CASTELLUM HELSINKI FINANCE 0.875% 17-09-29	EUR	450 000	299 216,50	0,20
NOKIA OYJ 4.375% 21-08-31 EMTN	EUR	1 000 000	997 859,25	0,64
<b>TOTAL FINLAND</b>			<b>1 297 075,75</b>	<b>0,84</b>
<b>FRANCE</b>				
ACCOR 2.375% 29-11-28	EUR	700 000	626 093,04	0,40
ACCOR SA 2.625% PERP	EUR	300 000	283 377,04	0,18
ADP 1.5% 07-04-25	EUR	600 000	586 915,03	0,38
AEROPORTS DE PARIS 3.125% 06/24	EUR	1 300 000	1 329 813,01	0,86
AIRBUS GROUP SE 1.625% 09-06-30	EUR	400 000	357 858,66	0,23
AIR FR KLM 1.875% 16-01-25	EUR	400 000	374 262,74	0,24
AIR FR KLM 7.25% 31-05-26 EMTN	EUR	700 000	724 148,71	0,46
AIR LI 0.75% 13-06-24 EMTN	EUR	1 000 000	977 416,64	0,63
AIR LI 1.25% 13-06-28 EMTN	EUR	500 000	461 288,87	0,30
ALD 4.25% 18-01-27 EMTN	EUR	1 300 000	1 309 138,11	0,84
ALD 4.75% 13-10-25 EMTN	EUR	700 000	726 322,59	0,47
ALSTOM 0.25% 14-10-26 EMTN	EUR	400 000	362 495,23	0,23
ARKEMA 2.75% PERP EMTN	EUR	300 000	292 280,45	0,18
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 0.25% 19-07-28	EUR	1 300 000	1 066 811,16	0,68
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 4.0% 26-01-33	EUR	600 000	591 970,23	0,38
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 5.125% 13-01-33	EUR	1 000 000	1 022 058,29	0,66
BNP PAR 1.125% 17-04-29 EMTN	EUR	1 700 000	1 477 519,84	0,95
BNP PAR 2.1% 07-04-32 EMTN	EUR	1 000 000	868 402,40	0,56

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
BNP PAR 2.5% 31-03-32 EMTN	EUR	400 000	362 679,29	0,24
BPCE 0.25% 15-01-26	EUR	500 000	455 810,55	0,29
BPCE 0.5% 24-02-27 EMTN	EUR	600 000	525 947,55	0,34
BPCE 1.5% 13-01-42	EUR	400 000	342 325,51	0,22
BPCE 4.375% 13-07-28 EMTN	EUR	1 200 000	1 222 120,68	0,78
BPCE 5.125% 25-01-35 EMTN	EUR	1 000 000	992 268,36	0,63
BUREAU VERITAS 1.875% 06-01-25	EUR	300 000	291 184,66	0,19
CA 0.625% 12-01-28	EUR	900 000	789 384,70	0,50
CA 1.0% 22-04-26 EMTN	EUR	1 600 000	1 519 474,96	0,97
CAPGEMINI SE 1.625% 15-04-26	EUR	500 000	479 557,64	0,31
CARMILA 2.125% 07-03-28	EUR	700 000	615 615,48	0,39
CARREFOUR 0.875% 12-06-23 EMTN	EUR	1 200 000	1 203 001,07	0,77
COMPAGNIE DE SAINT GOBAIN 2.125% 10-06-28	EUR	500 000	470 863,97	0,31
COVIVIO 1.625% 23-06-30	EUR	700 000	589 846,85	0,38
CRED AGRI ASSU 4.5% PERP	EUR	500 000	500 220,00	0,32
CREDIT MUTUEL ARKEA 1.625% 15-04-26	EUR	1 000 000	947 090,27	0,61
CREDIT MUTUEL ARKEA 4.25% 01-12-32	EUR	900 000	914 313,02	0,59
EDENRED 1.375% 10-03-25	EUR	1 000 000	963 344,21	0,61
EDF 3.875% 12-01-27 EMTN	EUR	500 000	506 187,74	0,33
EDF 7.5% PERP EMTN	EUR	400 000	402 306,82	0,26
ENGIE 1.75% 27-03-28 EMTN	EUR	1 200 000	1 107 909,02	0,71
ESSILORLUXOTTICA 0.375% 27-11-27	EUR	500 000	439 932,53	0,28
FAURECIA 7.25% 15-06-26	EUR	400 000	424 781,22	0,28
FRAN 0.125% 16-03-26	EUR	600 000	545 150,93	0,35
GROUPE DANONE 1.75% PERP EMTN	EUR	500 000	504 197,19	0,33
HIME SARLU 0.625% 16-09-28	EUR	600 000	489 584,79	0,31
HOLDING D INFRASTRUCTURES DES METIERS 4.5% 06-04-27	EUR	1 000 000	998 376,14	0,64
ICADE SANTE SAS 0.875% 04-11-29	EUR	300 000	238 855,46	0,16
ILIAD 5.375% 14-06-27	EUR	500 000	506 197,71	0,33
INDIGO GROUP SAS 1.625% 19-04-28	EUR	300 000	268 077,66	0,18
JCDECAUX 2.625% 24-04-28	EUR	500 000	468 173,32	0,30
L OREAL S A 0.375% 29-03-24	EUR	1 000 000	971 631,48	0,62
LVMH MOET HENNESSY ZCP 11-02-26	EUR	600 000	547 611,00	0,35
ORANGE 1.25% 07-07-27 EMTN	EUR	700 000	647 591,58	0,42
ORANGE 1.875% 12-09-30	EUR	400 000	359 903,78	0,23
ORANGE 3.625% 16-11-31 EMTN	EUR	1 400 000	1 417 422,71	0,91
ORANGE 5.25% PERP	EUR	700 000	706 516,86	0,45
ORANO 5.375% 15-05-27 EMTN	EUR	700 000	739 439,01	0,48
ORANO SA 4.875% 23-09-24 EMTN	EUR	800 000	834 909,92	0,53
PERNOD RICARD 3.25% 02-11-28	EUR	1 000 000	1 005 548,29	0,65
PSA BANQUE FRANCE 3.875% 19-01-26	EUR	1 000 000	1 005 957,32	0,65
RCI BANQUE 0.5% 14-07-25 EMTN	EUR	700 000	646 899,01	0,41
RCI BANQUE 4.125% 01-12-25	EUR	1 000 000	1 014 998,70	0,65
SANOFI 0.625% 05-04-24	EUR	400 000	392 069,15	0,25
SCHNEIDER ELECTRIC SE 0.0000010% 12-06-23	EUR	300 000	298 242,00	0,19
SCHNEIDER ELECTRIC SE 3.125% 13-10-29	EUR	400 000	399 683,97	0,26
SEB 1.375% 16-06-25	EUR	500 000	475 742,50	0,30
SG 0.625% 02-12-27	EUR	600 000	521 586,70	0,34
SG 1.125% 21-04-26 EMTN	EUR	600 000	568 704,62	0,36

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
SG 1.125% 30-06-31 EMTN	EUR	400 000	348 297,40	0,23
SG 4.25% 06-12-30 EMTN	EUR	1 000 000	982 778,29	0,63
SGOFP 1 03/17/25	EUR	900 000	862 516,62	0,55
SOCIETE DES AUTOROUTES DU SUD DE LA FRAN 1.375% 21-02-31	EUR	400 000	343 580,88	0,22
SUEZ SACA 5.0% 03-11-32 EMTN	EUR	900 000	975 768,23	0,63
THALES 0.875% 19-04-24 EMTN	EUR	1 000 000	982 315,41	0,63
TOTALENERGIES SE 3.369% PERP	EUR	1 000 000	966 214,25	0,62
UNIBAIL RODAMCO SE 2.125% PERP	EUR	1 000 000	868 923,29	0,56
VEOLIA ENVIRONNEMENT 4.625% 12-30/03/27 EMTN	EUR	800 000	836 653,46	0,54
WENDEL 1.375% 26-04-26	EUR	1 000 000	944 916,24	0,60
<b>TOTAL FRANCE</b>			<b>54 189 374,01</b>	<b>34,80</b>
<b>GREECE</b>				
ALPHA BANK AE 7.5% 16-06-27	EUR	800 000	810 117,81	0,52
EFG EUROBANK 7.0% 26-01-29	EUR	700 000	691 989,27	0,44
NATL BANK OF GREECE 7.25% 22-11-27	EUR	700 000	725 922,97	0,47
PIRAEUS BANK 8.25% 28-01-27	EUR	750 000	760 265,86	0,49
<b>TOTAL GREECE</b>			<b>2 988 295,91</b>	<b>1,92</b>
<b>HUNGARY</b>				
RAIFFEISEN BANK RT BUDAPEST 8.75% 22-11-25	EUR	600 000	627 623,14	0,40
<b>TOTAL HUNGARY</b>			<b>627 623,14</b>	<b>0,40</b>
<b>IRELAND</b>				
ABBOTT IRELAND FINANCING DAC 0.875% 27-09-23	EUR	1 000 000	992 910,82	0,63
AIB GROUP 0.5% 17-11-27 EMTN	EUR	500 000	435 735,21	0,28
AIB GROUP 4.625% 23-07-29 EMTN	EUR	1 000 000	990 576,58	0,64
BK IRELAND 6.75% 01-03-33 EMTN	EUR	700 000	718 525,84	0,46
BK IRELAND GROUP 1.875% 05-06-26	EUR	1 000 000	961 745,07	0,62
BK IRELAND GROUP 4.875% 16-07-28	EUR	1 000 000	1 015 252,81	0,65
RYANAIR 0.875% 25-05-26 EMTN	EUR	1 300 000	1 197 589,12	0,77
SMURFIT KAPPA TREASURY ULC 1.5% 15-09-27	EUR	800 000	723 201,33	0,47
<b>TOTAL IRELAND</b>			<b>7 035 536,78</b>	<b>4,52</b>
<b>ITALY</b>				
AEROPORTI DI ROMA 1.625% 02-02-29	EUR	1 300 000	1 131 390,98	0,72
AUTOSTRADA PER L ITALILIA 1.625% 25-01-28	EUR	800 000	700 953,53	0,45
AUTOSTRADA PER L ITALILIA 1.75% 01-02-27	EUR	500 000	457 276,30	0,29
CREDITO EMILIANO 1.125% 19-01-28	EUR	350 000	313 072,08	0,20
ENEL 2.25% PERP	EUR	250 000	215 174,22	0,14
ENEL 6.375% PERP EMTN	EUR	600 000	613 606,97	0,40
ENI 0.375% 14-06-28 EMTN	EUR	900 000	767 196,49	0,49
ENI 2.625% PERP	EUR	300 000	279 304,60	0,18
ENI 3.375% PERP	EUR	750 000	639 184,93	0,41
INTE 0.625% 24-02-26 EMTN	EUR	600 000	542 986,68	0,35
INTE 1.35% 24-02-31 EMTN	EUR	300 000	226 409,24	0,14
INTE 6.184% 20-02-34 EMTN	EUR	900 000	893 083,73	0,58
LEASYS 4.375% 07-12-24	EUR	500 000	511 619,42	0,33
MEDIOBANCA CREDITO FINANZ 1.125% 23-04-25	EUR	750 000	716 103,29	0,46
TRASMISSIONE ELETTRICITA RETE NAZIONALE 1.0% 10-0426	EUR	800 000	756 824,49	0,49
UNICREDIT 2.2% 22-07-27 EMTN	EUR	600 000	558 960,08	0,36
<b>TOTAL ITALY</b>			<b>9 323 147,03</b>	<b>5,99</b>

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>LUXEMBOURG</b>				
BECTON DICKINSON EURO FINANCE SARL 0.334% 13-08-28	EUR	500 000	422 620,63	0,27
EUROFINS SCIENTIFIC 2.125% 25-07-24	EUR	600 000	594 437,67	0,38
EUROFINS SCIENTIFIC SE 6.75% PERP	EUR	500 000	503 997,60	0,32
HOLCIM FINANCE LUXEMBOURG 0.5% 03-09-30	EUR	500 000	385 911,40	0,25
PRIFII 1.876 04/17/25	EUR	250 000	240 542,96	0,16
<b>TOTAL LUXEMBOURG</b>			<b>2 147 510,26</b>	<b>1,38</b>
<b>NETHERLANDS</b>				
ABERTIS FINANCE BV 3.248% PERP	EUR	500 000	449 007,73	0,29
ABN AMRO BK 0.6% 15-01-27	EUR	600 000	530 483,18	0,34
ABN AMRO BK 4.0% 16-01-28 EMTN	EUR	400 000	401 375,18	0,26
ABN AMRO BK 4.25% 21-02-30	EUR	500 000	505 062,71	0,32
ATHORA NETHERLANDS NV 2.25% 15-07-31	EUR	600 000	519 565,40	0,33
COOPERATIEVE RABOBANK UA 4.625% 27-01-28	EUR	500 000	513 192,36	0,33
DAIMLER INTL FINANCE BV 0.625% 06-05-27	EUR	600 000	543 664,23	0,35
EASYJET FINCO BV 1.875% 03-03-28	EUR	1 500 000	1 318 829,02	0,85
ENEL FINANCE INTL NV 0.375% 17-06-27	EUR	1 000 000	875 664,73	0,56
FIAT CHRYSLER AUTOMOBILES NV 4.5% 07-07-28	EUR	500 000	531 525,48	0,34
IBERDROLA INTL BV 3.25% PERP	EUR	500 000	483 698,05	0,31
ING GROEP NV 1.25% 16-02-27	EUR	500 000	459 764,79	0,30
ING GROEP NV 2.125% 23-05-26	EUR	400 000	391 532,90	0,25
LEASEPLAN CORPORATION NV 2.125% 06-05-25	EUR	1 000 000	979 706,99	0,62
REPSOL INTERNATIONAL FINANCE BV 4.5% 25-03-75	EUR	600 000	584 681,70	0,38
TELEFONICA EUROPE BV 2.88% PERP	EUR	400 000	348 956,58	0,23
TELEFONICA EUROPE BV 3.875% PERP	EUR	600 000	568 809,53	0,37
TELEFONICA EUROPE BV 6.135% PERP	EUR	400 000	392 091,21	0,25
TENNET HOLDING BV 3.875% 28-10-28	EUR	500 000	521 301,99	0,33
VOLKSWAGEN INTL FINANCE NV 3.748% PERP	EUR	300 000	269 679,13	0,17
VOLKSWAGEN INTL FINANCE NV 3.75% 28-09-27	EUR	500 000	502 980,03	0,32
WOLTERS KLUWER NV 3.0% 23-09-26	EUR	1 000 000	1 005 303,01	0,65
<b>TOTAL NETHERLANDS</b>			<b>12 696 875,93</b>	<b>8,15</b>
<b>PORTUGAL</b>				
BCP 4.0% 17-05-32	EUR	600 000	449 020,60	0,29
BCP 8.5% 25-10-25 EMTN	EUR	500 000	524 369,08	0,34
BRI CONC 1.875% 30-04-25 EMTN	EUR	700 000	687 795,07	0,45
CAIXA GEN 5.75% 31-10-28 EMTN	EUR	500 000	529 413,90	0,34
NOS SGPS 1.125% 02-05-23	EUR	800 000	806 959,14	0,51
<b>TOTAL PORTUGAL</b>			<b>2 997 557,79</b>	<b>1,93</b>
<b>UNITED KINGDOM</b>				
BARCLAYS 0.577% 09-08-29	EUR	400 000	321 364,94	0,21
BARCLAYS 3.375% 02-04-25 EMTN	EUR	1 000 000	992 004,43	0,64
BP CAP MK 1.594% 03-07-28 EMTN	EUR	500 000	458 014,79	0,29
BP CAP MK 3.25% PERP	EUR	500 000	476 045,38	0,30
HSBC 6.364% 16-11-32	EUR	750 000	802 631,63	0,51
NATWEST GROUP 1.043% 14-09-32	EUR	500 000	414 346,11	0,27
NATWEST MKTS 0.125% 18-06-26	EUR	500 000	443 146,58	0,29
RENTOKIL INITIAL FINANCE BV 3.875% 27-06-27	EUR	1 000 000	1 029 492,19	0,66
SANTANDER UK GROUP 3.53% 25-08-28	EUR	500 000	484 192,57	0,31
TESCO CORPORATE TREASURY SERVICES 0.875% 29-05-26	EUR	200 000	183 612,30	0,12

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
VIRGIN MONEY UK 0.375% 27-05-24	EUR	1 000 000	997 175,48	0,64
VIRGIN MONEY UK 2.875% 24-06-25	EUR	700 000	679 393,63	0,44
VODAFONE GROUP 1.625% 24-11-30	EUR	1 200 000	1 040 960,63	0,66
VODAFONE GROUP 3.1% 03-01-79	EUR	800 000	795 935,01	0,51
<b>TOTAL UNITED KINGDOM</b>			<b>9 118 315,67</b>	<b>5,85</b>
<b>SWITZERLAND</b>				
CRED SUIS SA GROUP AG 3.25% 02-04-26	EUR	500 000	473 561,30	0,31
UBS GROUP AG 1.0% 21-03-25	EUR	600 000	579 739,51	0,37
<b>TOTAL SWITZERLAND</b>			<b>1 053 300,81</b>	<b>0,68</b>
<b>TOTAL Bonds and similar securities traded on a regulated or similar market</b>			<b>137 992 373,29</b>	<b>88,62</b>
<b>TOTAL Bonds and similar securities</b>			<b>137 992 373,29</b>	<b>88,62</b>
<b>Undertakings for collective investment</b>				
<b>General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>				
<b>FRANCE</b>				
LAZARD EURO MONEY MARKET	EUR	1,868	1 913 095,72	1,23
LAZARD EURO SHORT TERM MONEY MARKET	EUR	6 682	13 282 145,50	8,53
<b>TOTAL FRANCE</b>			<b>15 195 241,22</b>	<b>9,76</b>
<b>TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>			<b>15 195 241,22</b>	<b>9,76</b>
<b>TOTAL Undertakings for collective investment</b>			<b>15 195 241,22</b>	<b>9,76</b>
<b>Forward financial instruments</b>				
<b>Futures contracts</b>				
<b>Futures contracts on a regulated or equivalent market</b>				
EURO BOBL 0623	EUR	-100	-32 000,00	-0,02
EURO SCHATZ 0623	EUR	-200	7 000,00	
<b>TOTAL Futures contracts on a regulated or equivalent market</b>			<b>-25 000,00</b>	<b>-0,02</b>
<b>TOTAL Futures contracts</b>			<b>-25 000,00</b>	<b>-0,02</b>
<b>TOTAL Forward financial instruments</b>			<b>-25 000,00</b>	<b>-0,02</b>
<b>Margin call</b>				
CACEIS MARGIN CALL	EUR	25 000	25 000,00	0,02
<b>TOTAL Margin call</b>			<b>25 000,00</b>	<b>0,02</b>
<b>Receivables</b>			<b>1 063 889,15</b>	<b>0,68</b>
<b>Liabilities</b>			<b>-6 796 535,31</b>	<b>-4,37</b>
<b>Financial accounts</b>			<b>8 263 003,36</b>	<b>5,31</b>
<b>Net assets</b>			<b>155 717 971,71</b>	<b>100,00</b>

LAZARD EURO CREDIT SRI PC EUR units	EUR	114 417,161	1 003,88	
LAZARD EURO CREDIT SRI RC EUR units	EUR	30 598,495	1 335,22	
LAZARD EURO CREDIT SRI PVC EUR units	EUR	1 000	1 004,53	

## 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 EURO CREDIT SRI

Legal entity identifier: 9695001JBAOPJN6DKI11

### 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 58,50% 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:

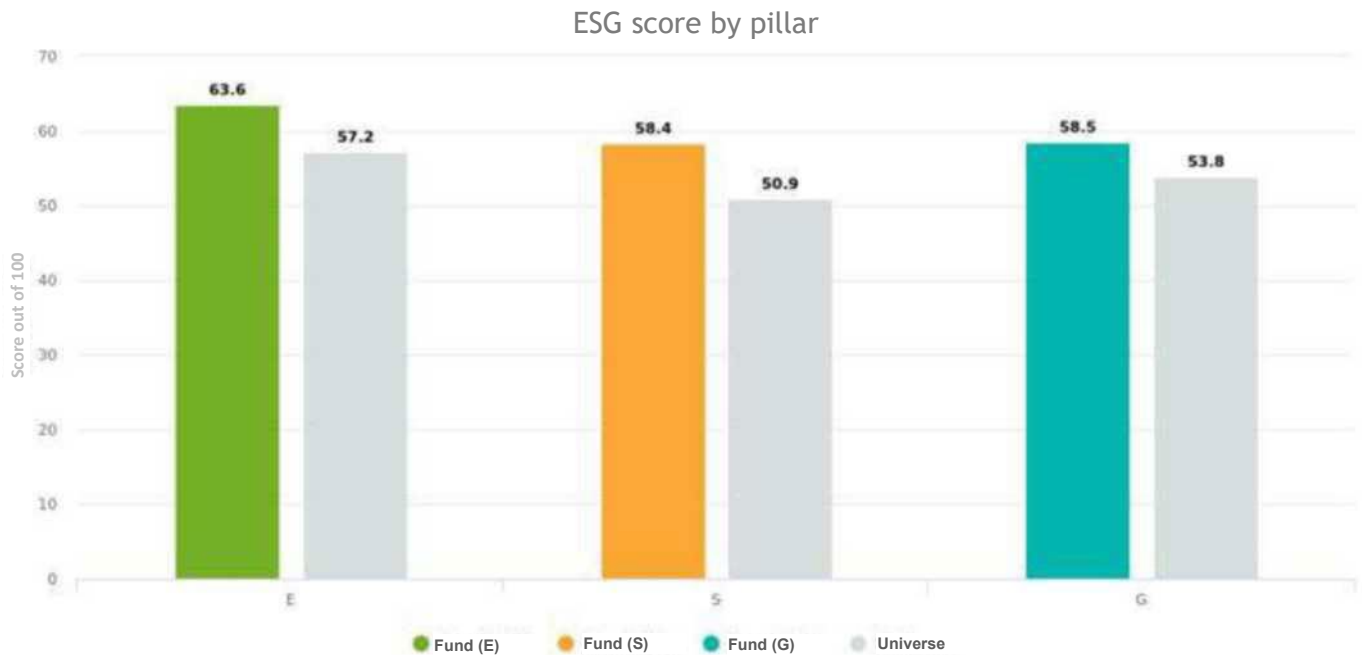
In addition, to confirm the robustness of the internal model, the analysts-managers in charge of management compare the portfolio's average ESG rating to that of its reference ESG universe using Moody's ESG Solutions ratings (ratings between 0 and 100).

Evolution of the ESG score



The portfolio's ESG reference universe is:  
15% ICE BofA Euro Non-Financial Fixed & Floating Rate High Yield

Constrained Index  
 Bloomberg code: HEAE Index;  
 85% BofA Merrill Lynch Euro Corporate Index Total Return EUR  
 Bloomberg code: EROO Index.



- *...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
<b>Carbon footprint in €m</b>	Included in the lowest 20% of the sector	6,88%
<b>GHG intensity</b>	Included in the lowest 20% of the sector	9,60%
<b>Implied temperature rise in 2100</b>	≤2 °C	38,57%
<b>Number of low-carbon patents</b>	Included in the top 20% of the universe	18,04%
<b>% of women in executive management</b>	Included in the top 20% of the universe	4,72%
<b>Number of hours of training for employees</b>	Included in the top 20% of the universe	1,20%
<b>Benefits coverage</b>	See sustainable investment presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	11,56%
<b>Diversity policies by management</b>	See presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	26,97%

- ***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 EU SHRT TRM MONEY M-C	UCI	2,92%	France
2. OBJECTIF MONETAIRE EURO-B	UCI	2,91%	France

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

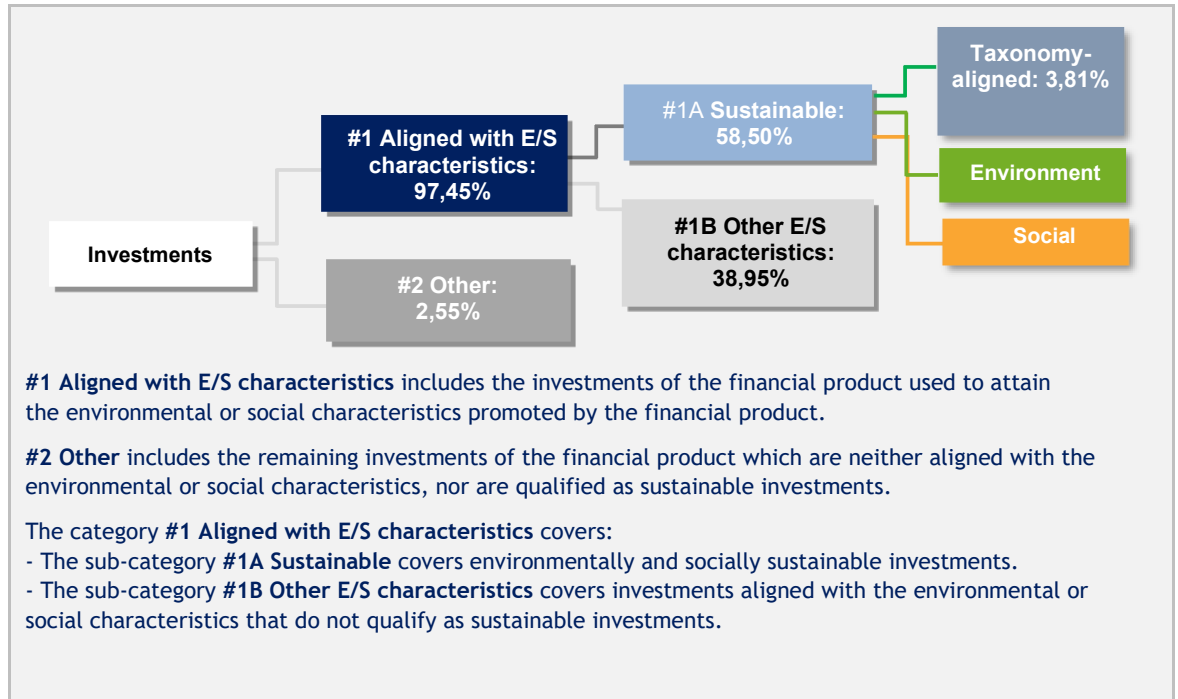
Largest investments	Sector	Percentage of assets	Country
3. BNP PAR 1.125% 17-04-29 EMTN	Unknown sector	1,02%	Luxembourg
4. ENEL FIN INTL NV 0.375% 19-17/06/2027	Unknown sector	0,88%	Netherlands
5. INFINEON TECHNOLOGIES AG 0.625% 17-02-25	Manufacturing	0,87%	Germany
6. CRED AGRICOLE SA VAR 22/04/2026	Financial and insurance activities	0,86%	France
7. NOS SGPS 1.125% 02-05-23	Information and communication	0,80%	Portugal
8. LEASEPLAN CORPORATION NV 2,125% 03-10-22	Administrative and support services activities	0,77%	Netherlands
9. BANCO NTANDER 1.125% 23-06-27	Financial and insurance activities	0,77%	Spain
10. ENI 0.375% 14-06-28 EMTN	Electricity, gas, steam and air conditioning supply	0,72%	Italy
11. AEROPORTI DI ROMA 1.625% 02-02-29	Transportation and storage	0,72%	Italy
12. EASYJET FINCO BV 1.875% 03-03-28	Unknown sector	0,72%	Netherlands
13. MEDIOBANCABCA CREDITO FINANZ 1.125% 23-04-25	Financial and insurance activities	0,71%	Italy
14. BRI CONC 1.875% 30-04-25 EMTN	Unknown sector	0,69%	Portugal
15. VEOLIA ENVIRONNEMENT 4.625%12-30/03/27 EMTN	Water supply; sewerage, waste management and remediation activities	0,65%	France





## What was the proportion of sustainability-related investment?

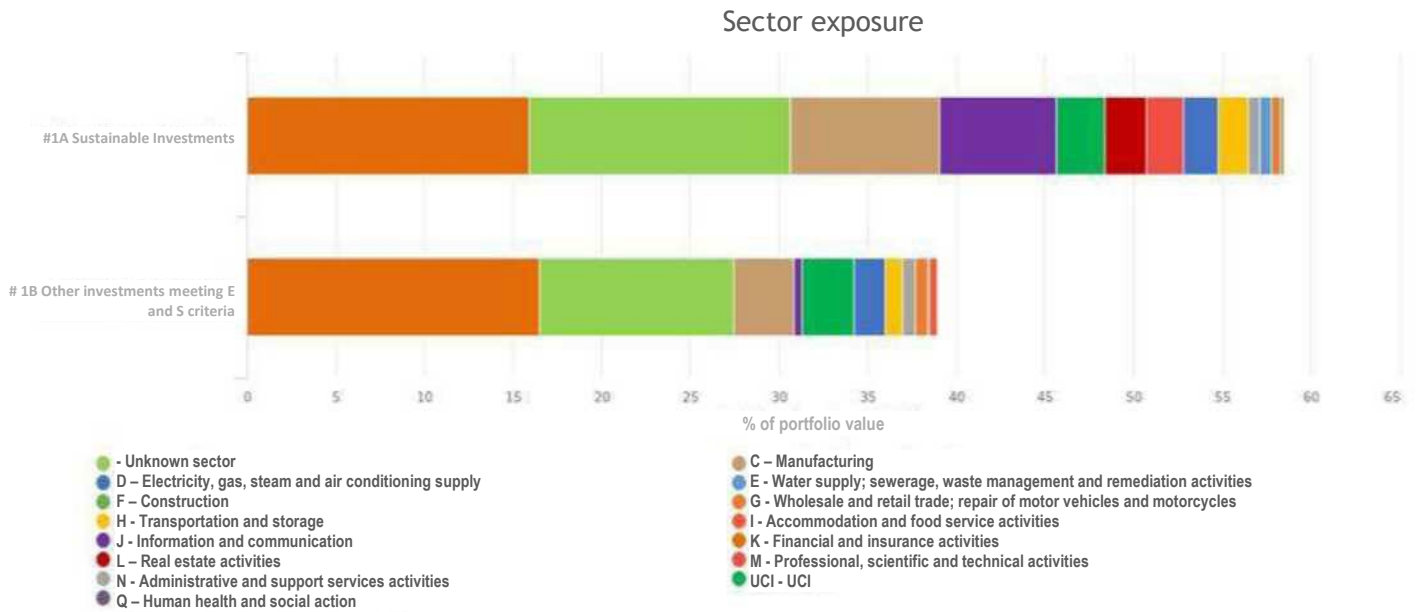
- *What was the asset allocation?*



Details of sustainable investments	
Weight of sustainable investments in the portfolio	58,50%
Of which sustainable investments E	50,72%
Of which sustainable investments S	36,91%

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 9,04% over the period.

Taxonomy-aligned activities are expressed as a share of:

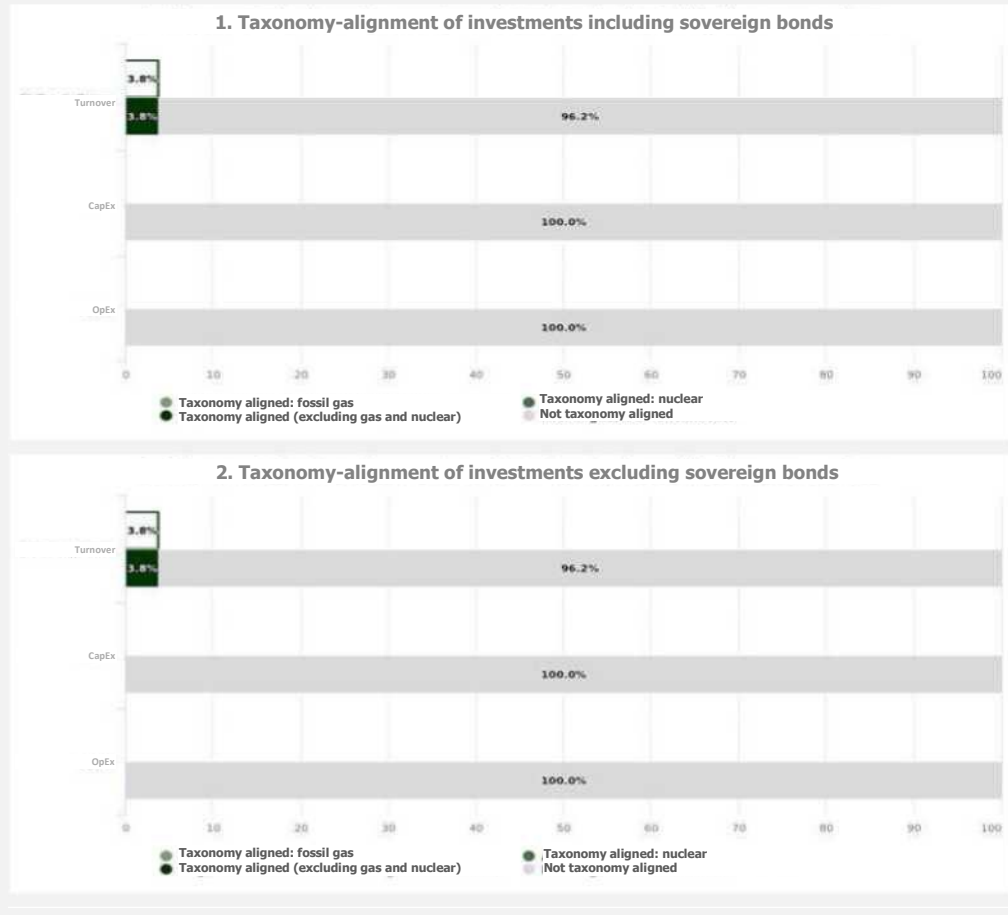
- **turnover** reflects the “greenness” of investee companies today;
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy;
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

**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 50,69%

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 36,91%.

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 2,55%.



### ***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 97,45% 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 with the reference benchmark?***

Not applicable.

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

Not applicable.