

**PROSPECTUS**

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

**LAZARD FUNDS**

**SICAV WITH SUB-FUNDS**

This UCITS is managed by LAZARD FRERES GESTION SAS

**I - GENERAL FEATURES**

**FUND'S FORM**

|                       |  |
|-----------------------|--|
| Name                  | LAZARD FUNDS   |
| Registered offices    | 10 avenue Percier - 75008 Paris                              |
| Legal form            | Société d'Investissement à Capital Variable                  |
| Inception date – term | This UCI was created on 02/03/2020 for a period of 99 years. |

**Fund overview : the UCI comprises 9 sub-funds**

Fund overview of the Sub-fund Lazard Credit 2028

| ISIN code                    | Allocation of distributable income |   | Base currency | Eligible investors | Minimum initial subscription                                 | Initial NAV |
|------------------------------|------------------------------------|---|---------------|--------------------|--|-------------|
|                              | Allocation of net income           | Allocation of net realised capital gains          |               |                    |  |             |
| Share EC EUR<br>FR001400KCT4 | Accumulation                       | Accumulation                                      | EUR           | All subscribers    | Minimum initial and later subscriptions:<br>10 million euros | 1000 EUR    |
| Share ED EUR<br>FR001400KCU2 | Distribution                       | Accumulation and/or Distribution and/or Retention | EUR           | All subscribers    | Minimum initial and later subscriptions:<br>10 million euros | 1000 EUR    |

| ISIN code                    | Allocation of distributable income |   | Base currency | Eligible investors       | Minimum initial subscription | Initial NAV |
|------------------------------|------------------------------------|---|---------------|--------------------------|------------------------------|-------------|
|                              | Allocation of net income           | Allocation of net realised capital gains          |               |                          |                              |             |
| Share PC EUR<br>FR001400KCV0 | Accumulation                       | Accumulation                                      | EUR           | Authorised investors (1) | 1 share                      | 1000 EUR    |
| Share PD EUR<br>FR001400KCW8 | Distribution and/or retention      | Accumulation and/or Distribution and/or Retention | EUR           | Authorised investors (1) | 1 share                      | 1000 EUR    |
| Share RC EUR<br>FR001400KCX6 | Accumulation                       | Accumulation                                      | EUR           | All subscribers          | 1 share                      | 100 EUR     |
| Share RD EUR<br>FR001400KCY4 | Distribution and/or retention      | Accumulation and/or Distribution and/or Retention | EUR           | All subscribers          | 1 share                      | 100 EUR     |

(1) Authorised investors:

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

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

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

**The subfund will be closed to subscriptions as of 16 October 2025 after the cut-off time. From that date, only those subscriptions may be submitted that have been preceded by a redemption made by the same shareholder on the same day covering the same number of shares, for the same redemption value. The subscription period may be extended on the decision of the Portfolio Management Company.**

Fund overview of the Sub-fund Lazard Euro Credit SRI

| ISIN code                     | Allocation of distributable income |  | Base currency | Eligible investors       | Minimum initial subscription | Initial NAV |
|-------------------------------|------------------------------------|--|---------------|--------------------------|------------------------------|-------------|
|                               | Allocation of net income           | Allocation of net realised capital gains |               |                          |                              |             |
| Share RC EUR<br>FR0010751008  | Accumulation                       | Accumulation                             | EUR           | All subscribers          | 1 share                      | 1000 EUR    |
| Share PC EUR<br>FR001400DLP8  | Accumulation                       | Accumulation                             | EUR           | Authorised investors (1) | 1 share                      | 1000 EUR    |
| Share PVC EUR<br>FR001400FNL8 | Accumulation                       | Accumulation                             | EUR           | Authorised investors (1) | 1 share                      | 1000 EUR    |

(1) Authorised investors:

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

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

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

#### Fund overview of the Sub-fund Lazard High Yield 2029

| ISIN code                    | Allocation of distributable income |   | Base currency | Eligible investors       | Minimum initial subscription   | Initial NAV |
|------------------------------|------------------------------------|---|---------------|--------------------------|--|-------------|
|                              | Allocation of net income           | Allocation of net realised capital gains          |               |                          |  |             |
| Share EC EUR<br>FR001400NTN5 | Accumulation                       | Accumulation                                      | EUR           | All subscribers          | Minimum initial and subsequent investments:<br><br>1 share until 30 September 2024<br><br>10 million euros from 1 October 2024 | 1000 EUR    |
| Share ED EUR<br>FR001400NT03 | Distribution                       | Accumulation and/or Distribution and/or Retention | EUR           | All subscribers          | Minimum initial and subsequent investments:<br><br>1 share until 30 September 2024<br><br>10 million euros from 1 October 2024 | 1000 EUR    |
| Share PC EUR<br>FR001400NTP0 | Accumulation                       | Accumulation                                      | EUR           | Authorised investors (1) | 1 share  | 1000 EUR    |
| Share PD EUR<br>FR001400NTQ8 | Distribution and/or retention      | Accumulation and/or Distribution and/or Retention | EUR           | Authorised investors (1) | 1 share  | 1000 EUR    |
| Share RC EUR<br>FR001400NTR6 | Accumulation                       | Accumulation                                      | EUR           | All subscribers          | 1000 EUR*  | 100 EUR     |

| ISIN code                     | Allocation of distributable income  |   | Base currency | Eligible investors                   | Minimum initial subscription | Initial NAV |
|-------------------------------|---|---|---------------|--------------------------------------|------------------------------|-------------|
|                               | Allocation of net income  | Allocation of net realised capital gains          |               |                                      |                              |             |
| Share RD EUR<br>FR001400NTS4  | Distribution and/or retention   | Accumulation and/or Distribution and/or Retention | EUR           | All subscribers                      | 1000 EUR*                    | 100 EUR     |
| Share CC EUR<br>FR001400NTT2  | Accumulation  | Accumulation                                      | EUR           | Share reserved exclusively for CARAC | 1 share                      | 100 EUR     |
| Share RC EUR,<br>Share RD EUR | * With the exception of the management company, which may only subscribe for one share. |   |               |                                      |                              |             |

(1) Authorised investors:

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

- their independent advisory activity;

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

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

**The subfund will be closed to new investments after the cut-off time on 31 March 2026. Effective this date, the only transactions allowed will be subscriptions preceded by a redemption made the same day for the same number of shares, at the same net asset value, and by the same shareholder. The subscription period may be extended at the Management Company's discretion.**

Fund overview of the Sub-fund Lazard Well-Being

| ISIN code                     | Allocation of distributable income |  | Base currency | Eligible investors       | Minimum initial subscription | Initial NAV |
|-------------------------------|------------------------------------|--|---------------|--------------------------|------------------------------|-------------|
|                               | Allocation of net income           | Allocation of net realised capital gains |               |                          |                              |             |
| Share PC EUR<br>FR001400GLK2  | Accumulation                       | Accumulation                             | EUR           | Authorised investors (1) | 1 share                      | 1 000 EUR   |
| Share PVC EUR<br>FR001400GLL0 | Accumulation                       | Accumulation                             | EUR           | Authorised investors (1) | 1 share                      | 1 000 EUR   |
| Share RVC EUR<br>FR001400GLM8 | Accumulation                       | Accumulation                             | EUR           | All subscribers          | 1 share                      | 100 EUR     |
| Share EC EUR<br>FR001400GLN6  | Accumulation                       | Accumulation                             | EUR           | All subscribers          | 1 share                      | 1 000 EUR   |

(1) Authorised investors:

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

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

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

#### Fund overview of the Sub-fund Lazard Green Capital

| ISIN code                     | Allocation of distributable income |  | Base currency | Eligible investors       | Minimum initial subscription | Initial NAV |
|-------------------------------|------------------------------------|--|---------------|--------------------------|------------------------------|-------------|
|                               | Allocation of net income           | Allocation of net realised capital gains |               |                          |                              |             |
| Share EC EUR<br>FR001400M857  | Accumulation                       | Accumulation                             | EUR           | All subscribers          | 1 share                      | 1000 EUR    |
| Share PVC EUR<br>FR001400M865 | Accumulation                       | Accumulation                             | EUR           | Authorised investors (1) | 1 share                      | 1000 EUR    |
| Share PC EUR<br>FR001400M873  | Accumulation                       | Accumulation                             | EUR           | Authorised investors (1) | 1 share                      | 100 EUR     |
| Share RC EUR<br>FR001400M881  | Accumulation                       | Accumulation                             | EUR           | All subscribers          | 1 share                      | 100 EUR     |

(1) Authorised investors:

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

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

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

#### Fund overview of the Sub-fund Lazard Credit Opportunities

| ISIN code                     | Allocation of distributable income |   | Base currency | Eligible investors       | Minimum initial subscription | Initial NAV |
|-------------------------------|------------------------------------|---|---------------|--------------------------|------------------------------|-------------|
|                               | Allocation of net income           | Allocation of net realised capital gains          |               |                          |                              |             |
| Share RC EUR<br>FR0010230490  | Accumulation                       | Accumulation                                      | EUR           | All subscribers          | 1 share                      | 500 EUR     |
| Share PC EUR<br>FR0010235507  | Accumulation                       | Accumulation                                      | EUR           | Authorised investors (1) | 1 share                      | 1 000 EUR   |
| Share PD EUR<br>FR0012156347  | Distribution                       | Accumulation and/or Distribution and/or Retention | EUR           | Authorised investors (1) | 1 share                      | 1 000 EUR   |
| Share PVC EUR<br>FR0013432143 | Accumulation                       | Accumulation                                      | EUR           | Authorised investors (1) | 1 share                      | 1 000 EUR   |

| ISIN code                       | Allocation of distributable income |   | Base currency | Eligible investors             | Minimum initial subscription | Initial NAV |
|---------------------------------|------------------------------------|---|---------------|--------------------------------|------------------------------|-------------|
|                                 | Allocation of net income           | Allocation of net realised capital gains          |               |                                |                              |             |
| Share TC EUR<br>FR0010235499    | Accumulation                       | Accumulation                                      | EUR           | Authorised investors (1)       | 1 share                      | 10 000 EUR  |
| Share PVC H-CHF<br>FR0014002XI5 | Accumulation                       | Accumulation                                      | CHF           | Authorised investors (1)       | 1 share                      | 1000 CHF    |
| Share FC EUR<br>FR00140081X3    | Accumulation                       | Accumulation                                      | EUR           | Reserved for Cassa Forense     | 15 000 000 EUR*              | 1000 EUR    |
| Share PC USD<br>FR001400BBG2    | Accumulation                       | Accumulation                                      | USD           | Authorised investors (1)       | 1 share                      | 1 000 USD   |
| Share PC H-USD<br>FR001400BBI8  | Accumulation                       | Accumulation                                      | USD           | Authorised investors (1)       | 1 share                      | 1 000 USD   |
| Share RC H-USD<br>FR001400BBJ6  | Accumulation                       | Accumulation                                      | USD           | All subscribers                | 1 share                      | 500 USD     |
| Share RD H-USD<br>FR001400BBK4  | Distribution                       | Accumulation and/or Distribution and/or Retention | USD           | All subscribers                | 1 share                      | 500 USD     |
| Share PD H-USD<br>FR001400D2C2  | Distribution                       | Accumulation and/or Distribution and/or Retention | USD           | Authorised investors (1)       | 1 share                      | 1 000 USD   |
| Share PVD EUR<br>FR001400DIW0   | Distribution                       | Accumulation and/or Distribution and/or Retention | EUR           | Authorised investors (1)       | 1 share                      | 1 000 EUR   |
| Share RD EUR<br>FR001400F1C2    | Distribution                       | Accumulation and/or Distribution and/or Retention | EUR           | All subscribers                | 1 share                      | 500 EUR     |
| Share PC H-CHF<br>FR001400F1B4  | Accumulation                       | Accumulation                                      | CHF           | Authorised investors (1)       | 1 share                      | 1000 CHF    |
| Share BC EUR<br>FR001400MM38    | Accumulation                       | Accumulation                                      | EUR           | Reserved for Belfius Insurance | 1 share                      | 500 EUR     |
| Share RVC EUR<br>FR001400NW92   | Accumulation                       | Accumulation                                      | EUR           | All subscribers                | 1 share                      | 500 EUR     |

(1) Authorised investors:

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

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

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

#### Fund overview of the Sub-fund Lazard Euro Short Duration High Yield SRI

| ISIN code  | Allocation of distributable income  |   | Base currency | Eligible investors                         | Minimum initial subscription | Initial NAV |
|--|---|---|---------------|--|------------------------------|-------------|
|  | Allocation of net income  | Allocation of net realised capital gains          |               |  |                              |             |
| Share RC EUR<br>FR0013506987                                       | Accumulation  | Accumulation                                      | EUR           | All subscribers                            | 1 share                      | 100 EUR     |
| Share RVC EUR<br>FR0013506995                                      | Accumulation  | Accumulation                                      | EUR           | All subscribers                            | 1 share                      | 100 EUR     |
| Share PD EUR<br>FR0013507001                                       | Distribution  | Accumulation and/or Distribution and/or Retention | EUR           | Authorised investors (1)                   | 1 share                      | 1 000 EUR   |
| Share PVC EUR<br>FR0013507019                                      | Accumulation  | Accumulation                                      | EUR           | Authorised investors (1)                   | 1 share                      | 1000 EUR    |
| Share EVC EUR<br>FR0013507027                                      | Accumulation  | Accumulation                                      | EUR           | All subscribers                            | 2 000 000 EUR*               | 1 000 EUR   |
| Share AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR<br>FR001400QPO4 | Accumulation  | Accumulation                                      | EUR           | Reserved exclusively for the AGIPI network | 1 share                      | 100 EUR     |
| Share EVC EUR  | * With the exception of the management company, which may only subscribe for one share. |   |               |  |                              |             |

(1) Authorised investors:

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

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

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

#### Fund overview of the Sub-fund Lazard Global Green Bond Opportunities

| ISIN code                     | Allocation of distributable income |   | Base currency | Eligible investors       | Minimum initial subscription | Initial NAV |
|-------------------------------|------------------------------------|---|---------------|--------------------------|------------------------------|-------------|
|                               | Allocation of net income           | Allocation of net realised capital gains          |               |                          |                              |             |
| Share EC EUR<br>FR001400BVQ9  | Accumulation                       | Accumulation                                      | EUR           | All subscribers          | 1 share                      | 1000 EUR    |
| Share PVC EUR<br>FR001400BVR7 | Accumulation                       | Accumulation                                      | EUR           | Authorised investors (1) | 1 share                      | 1000 EUR    |
| Share PC EUR<br>FR001400BVS5  | Accumulation                       | Accumulation                                      | EUR           | Authorised investors (1) | 1 share                      | 1000 EUR    |
| Share RC EUR<br>FR001400BVT3  | Accumulation                       | Accumulation                                      | EUR           | All subscribers          | 1 share                      | 100 EUR     |
| Share RVC EUR<br>FR001400BVU1 | Accumulation                       | Accumulation                                      | EUR           | All subscribers          | 1 share                      | 100 EUR     |
| Share PD EUR<br>FR001400BVV9  | Distribution                       | Accumulation and/or Distribution and/or Retention | EUR           | Authorised investors (1) | 1 share                      | 1000 EUR    |
| Share RD EUR<br>FR001400BVW7  | Distribution                       | Accumulation and/or Distribution and/or Retention | EUR           | All subscribers          | 1 share                      | 100 EUR     |

(1) Authorised investors:

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

- their independent advisory activity;

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

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

Note:

Definitive suspension of subscriptions for EC EUR shares as soon as the number of outstanding shares exceeds 100,000.

Once the final suspension has been implemented, only subscriptions preceded by a redemption made on the same day for the same number of shares, at the same net asset value and by the same shareholder may be transmitted.

Fund overview of the Sub-fund Lazard Human Capital

| ISIN code                    | Allocation of distributable income |  | Base currency | Eligible investors       | Minimum initial subscription | Initial NAV |
|------------------------------|------------------------------------|--|---------------|--------------------------|------------------------------|-------------|
|                              | Allocation of net income           | Allocation of net realised capital gains |               |                          |                              |             |
| Share PC EUR<br>FR0014009F48 | Accumulation                       | Accumulation                             | EUR           | Authorised investors (1) | 1 share                      | 1000 EUR    |



| ISIN code                     | Allocation of distributable income  |   | Base currency | Eligible investors  | Minimum initial subscription | Initial NAV |
|-------------------------------|---|---|---------------|---|------------------------------|-------------|
|                               | Allocation of net income  | Allocation of net realised capital gains          |               |   |                              |             |
| Share PD EUR<br>FR0014009F55  | Distribution  | Accumulation and/or Distribution and/or Retention | EUR           | Authorised investors (1)  | 1 share                      | 1000 EUR    |
| Share EC EUR<br>FR0014009F63  | Accumulation  | Accumulation                                      | EUR           | All subscribers   | 1000 shares*                 | 1000 EUR    |
| Share ED EUR<br>FR0014009F71  | Distribution  | Accumulation and/or Distribution and/or Retention | EUR           | All subscribers   | 1000 shares*                 | 1000 EUR    |
| Share RC EUR<br>FR0014009F89  | Accumulation  | Accumulation                                      | EUR           | All subscribers   | 1 share                      | 100 EUR     |
| Share MC EUR<br>FR001400MM46  | Accumulation  | Accumulation                                      | EUR           | Reserved for collective savings plans of the French entities of Groupe Lazard |                              | 15 EUR      |
| Share EC EUR,<br>Share ED EUR | * With the exception of the management company, which may only subscribe for one share. |   |               |   |                              |             |

(1) Authorised investors:

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

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

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

**Note:**

Definitive suspension of subscriptions for EC EUR shares as soon as the number of outstanding shares exceeds 75,000.

Definitive suspension of subscriptions for ED EUR shares as soon as the number of outstanding shares exceeds 75,000.

Once the final suspension has been implemented, only subscriptions preceded by a redemption made on the same day for the same number of shares, at the same net asset value and by the same shareholder may be transmitted. Subscriptions preceded by a redemptions made on the same day, for the same number of shares, at the same net asset value and by the same shareholder, are authorised.

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

All other practical information on this product, including the latest unit price, the prospectus, the latest annual and periodic reports, the composition of assets and the standards of LAZARD FRERES GESTION SAS with regard to the

exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to:

**LAZARD FRERES GESTION SAS**

25, rue de Courcelles 75008 Paris France

The prospectus is also available at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr) .

Designated contact:

Customer service - Monday to Friday - 9 to 18

Tél. +33 (0)1 44 13 01 79

where further information may be obtained if necessary.

## II - SERVICE PROVIDERS

|                              |   |
|------------------------------|---|
| Delegated management company | <p>LAZARD FRERES GESTION SAS<br/>25, rue de Courcelles – 75008 Paris<br/>Management company incorporated under French law authorised by the French securities regulator (Autorité des Marchés Financiers – AMF) on 28th December 2004, no. GP 04 0000 68</p>  |
| Custodian                    | <p>CACEIS BANK<br/>89-91 rue Gabriel Péri – 92120 Montrouge<br/>Bank and investment services provider accredited by the CECEI on April 1st, 2005.</p> <p>The custodian’s functions, as set out in the applicable regulations, include safeguarding of the assets, ensuring the legality of decisions taken by the management company and monitoring of cash flow related to the Funds.</p> <p><u>Sub-delegation:</u><br/>A description of the functions of delegated custody agents, a list of the custody and sub-custody agents of CACEIS Bank, and information on conflicts of interest that may arise in relation to these agents are available on the CACEIS website: <a href="http://www.caceis.com">www.caceis.com</a> (Regulatory watch – UCITS V – Sub Custodians List).</p> <p>Investors may obtain updated information on request.</p> <p>The custodian operates independently of the investment management company.</p> |
| Delegated registrar of units | <p>CACEIS BANK<br/>89-91 rue Gabriel Péri – 92120 Montrouge<br/>Public limited company with a board of directors</p> <p>Bank and investment services provider accredited by the CECEI on April 1st, 2005.</p>   |

|  |   |
|--|---|
| Delegated agent for the centralisation of subscription and redemption orders | <p>CACEIS BANK<br/>89-91 rue Gabriel Péri – 92120 Montrouge<br/>The management company has delegated management of the Fund’s liabilities to CACEIS Bank, which is therefore responsible for centralising and processing subscription and redemption orders for the Fund’s units</p> <p><b>Co-centralisation:</b><br/>LAZARD FRERES BANQUE<br/>175 boulevard Haussmann - 75008 Paris<br/>On behalf of clients for whom it provides custody account-keeping services</p> |
| Accounting management by delegation  | <p>CACEIS FUND ADMINISTRATION<br/>89-91 rue Gabriel Péri – 92120 Montrouge<br/>Adresse postale : 12, place des États-Unis - CS 40083 - 92549 Montrouge Cedex</p>  |
| Statutory auditor  | <p>CABINET DELOITTE &amp; ASSOCIES<br/>6 place de la Pyramide, 92908 Paris - La Défense Cedex<br/>Signatory - M. Olivier Galienne</p>   |
| Promoter   | NA  |
| Advisor (if applicable)  | NA  |
| Sub-investment manager (if applicable)                                       | NA  |
| Administration, management and supervisory bodies                            | The names and functions of the Chairman and members of the Board of Directors are available in the SICAV’s annual report.   |

### III - OPERATION AND MANAGEMENT

#### Segregation of sub-funds

The UCI gives investors the choice between several sub-funds, each with a different investment objective. Each sub-fund constitutes a separate pool of assets. The assets of a given sub-fund are liable only for the debts, commitments and obligations relating to that sub-fund.

#### **SUB-FUND Lazard Credit 2028**

#### **GENERAL FEATURES OF THE SUB-FUND LAZARD CREDIT 2028**

#### 1. Features of the Sub-fund Lazard Credit 2028

| Characteristics of shares |              |
|---------------------------|--------------|
| Share EC EUR              | FR001400KCT4 |
| Share ED EUR              | FR001400KCU2 |
| Share PC EUR              | FR001400KCV0 |

|  |   |
|--|---|
| Share PD EUR   | FR001400KCW8  |
| Share RC EUR   | FR001400KCX6  |
| Share RD EUR   | FR001400KCY4  |
| Nature of the rights attached to the Sub-fund's shares | Each shareholder has an ownership right in and to the assets of the Sub-fund in proportion to the number of shares owned.   |
| Voting rights attached to the Sub-fund's shares        | Each shareholder is entitled to one vote for each share held.   |
| Form of shares   | Bearer or administered registered at the unitholder's discretion.<br>The Sub-fund is listed with Euroclear France.  |
| Fractional or whole shares                             | The Sub-fund's shares may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the shares).                                     |
| Financial year end                                     | Last valuation day in September.  |
| First financial year end                               | Last valuation day in September 2024.   |
| Taxation   | The Sub-fund is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. |

## **OTHER SPECIFICATIONS OF THE SUB-FUND LAZARD CREDIT 2028**

|                      |   |
|----------------------|---|
| Fund of fund         | None  |
| Classification       | Bonds and other euro-denominated debt securities  |
| Investment objective | <p>Share EC EUR, Share ED EUR, Share PC EUR, Share PD EUR, Share RC EUR, Share RD EUR</p> <p>The subfund's investment objective, at the time of subscription and on a five-year investment horizon, is to achieve a performance net of fees that is commensurate with current yields on bonds maturing in 2028, by investing mainly in investment grade securities. This objective assumes that shares in the subfund will be held throughout the recommended investment horizon and is also based on other assumptions made by the Portfolio Management Company. Under no circumstances does it constitute a promise of subfund yield or performance. These market assumptions include a risk of default or downgrade of one or more issuers held in the portfolio. If such risks were to be borne out to a greater degree than in the financial manager's assumptions, it is possible that the investment objective would not be achieved. The subfund may invest in bonds and money-market securities from public and corporate issuers that are denominated exclusively in euros, and to which 0% to 100% of net assets will be exposed at all times. The subfund seeks to exploit current actuarial yields deemed attractive on corporate bonds. The subfund invests only in bonds or other securities from issuers headquartered in OECD countries and/or in issues or securities listed on a market of one of these countries.</p> |

|                                   |  |  |
|-----------------------------------|--|--|
| Benchmark indicator               | Share EC EUR, Share ED EUR, Share PC EUR, Share PD EUR, Share RC EUR, Share RD EUR | None<br>The Sub-fund will not be managed relative to a benchmark index, which could cause misunderstanding by the investor. Accordingly, no benchmark index has been selected. |
| Benchmark ESG investment universe | 70% ER00 Index + 30% HE00 index  |  |

## 1. Strategies used of the Sub-fund Lazard Credit 2028

The subfund’s management objective, at the time of subscription and on a five-year investment horizon, is to achieve a performance net of fees that is commensurate with current yields on bonds maturing in 2028, by investing mainly in investment grade securities. This objective assumes that shares in the subfund will be held throughout the recommended investment horizon and is also based on other assumptions made by the Portfolio Management Company. Under no circumstances does it constitute a promise of subfund yield or performance. These market assumptions include a risk of default or downgrade of one or more issuers held in the portfolio. If such risks were to be borne out to a greater degree than in the financial manager’s assumptions, it is possible that the investment objective would not be achieved.

The subfund’s investment strategy is based mainly on a buy & hold strategy, i.e., buying securities and holding them in the portfolio until their first maturity date. The manager nonetheless is free to manage the portfolio by buying and selling securities. Accordingly, subfund turnover will be low, estimated at 10% per year on average.

The range of sensitivity will be between 0 and 5.5.

The investment strategy consists in applying a quantitative filter to separate out bonds and money-market securities that are consistent with the subfund’s investment strategy through their first final maturity date or early repayment date (31 March 2029). To construct the portfolio, the manager conducts his own qualitative research on bonds. He also refers to agency ratings without relying on them exclusively or automatically.

The subfund may not invest in Additional Tier 1 contingent convertible bonds (known as “coco bonds”).

The subfund may invest up to 100% of its assets in bonds and money-market securities that are from government and corporate issuers and that are denominated exclusively in euros. The subfund seeks to exploit current actuarial yields deemed attractive on corporate bonds. The subfund invests only in bonds or other securities from issuers headquartered in OECD countries and/or in issues or securities listed on a market of one of these

countries.

Up to 100% of the subfund's net assets shall be invested in bonds and money-market securities rated investment grade by the ratings agencies or the equivalent in the Portfolio Management Company's judgement. Up to 30% of the subfund's net assets may also be invested in bonds rated high yield by the ratings agencies or the equivalent in the Portfolio Management Company's judgement. During the period during with subfund is being constructed, i.e., for about six months after it has been launched, the Portfolio Management Company may only invest in money-market securities.

Information on the range of sensitivity within which the subfund is managed is provided in the table below:

| Interest-rate risk (including derivatives) | Investments |      | Exposure |      |
|--|-------------|------|----------|------|
|  | Min         | Max  | Min      | Max  |
| Range of sensitivity to interest-rate risk | 0           | +5,5 | 0        | +5,5 |

| Credit risk                  | Investments |      | Exposure |      |
|------------------------------|-------------|------|----------|------|
| Issuer's geographical region | Min         | Max  | Min      | Max  |
| Europe                       | 0%          | 100% | 0%       | 100% |
| Other regions                | 0%          | 100% | 0%       | 100% |

The subfund may invest up to 10% of its net assets in mutual funds of all classifications provided they meet the four criteria of Article R214-13 of the French Monetary and Financial Code. Investments may be made only in those mutual funds that themselves invest less than 10% of their net assets in other mutual funds. All mutual funds may be managed by the Portfolio Management Company.

After 30 November 2028, if market conditions allow and upon the approval of the French Financial Markets Authority (AMF), the subfund's strategy shall be rolled over into a new buy & hold period. Otherwise, the subfund shall be liquidated, merged with another mutual fund, or modified upon the AMF's approval. The Portfolio Management Company reserves the right, subject to AMF approval, to liquidate the subfund beforehand when the performance expected during the remaining period is close to that of the money-market during that period.

### **Extra-financial criteria**

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR). All ESG information is appended to this prospectus.

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

### Analysis of investments in directly-held bonds

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

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

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

- 1) lower revenues;
- 2) higher costs;
- 3) damage to or impairment of the value of assets;
- 4) higher cost of capital; and
- 5) fines or regulatory risks.

Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

#### Conditions for reduced disclosure of the inclusion of extra-financial criteria:

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

- 90% of net assets for bonds issued by large caps with their headquarters in "developed" countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;

- 75% of net assets for bonds issued by large caps with their headquarters in "emerging" countries, equities issued by small and mid caps, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by "emerging" countries.

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

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

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

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

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

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

The "Do No Significant Harm" principle applies only to investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities.

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

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

## 2. Assets (excluding embedded derivatives) of the Sub-fund Lazard Credit 2028

### Money-market securities and instruments

Up to 100% of net assets in bonds and negotiable securities denominated exclusively in euros issued by governments, companies and financial institutions.

### Mutual funds

French OPCVM funds or AIFs of all classifications provided they meet the four criteria of Article R214-13 of the French Monetary and Financial Code.

Investments may be made only in those mutual funds that themselves invest less than 10% of their net assets in other mutual funds. These mutual funds may be managed by the Portfolio Management Company.

## 3. Derivatives of the Sub-fund Lazard Credit 2028

None

## 4. Securities with embedded derivatives of the Sub-fund Lazard Credit 2028

The manager may invest up to 100% of net assets in all securities that include derivatives allowed by the Portfolio Management Company's business plan.

Within this framework, the manager may take positions that hedge and/or expose the portfolio to economic sectors, geographic regions, equities of all market capitalisations, securities and similar for the purpose of achieving the investment objective.

## 5. Deposits of the Sub-fund Lazard Credit 2028

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

## 6. Cash borrowings of the Sub-fund Lazard Credit 2028

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

## 7. Temporary purchases and sales of securities of the Sub-fund Lazard Credit 2028



None

## 8. Information on financial guarantees of the Sub-fund Lazard Credit 2028

None

## 9. Risk profile of the Sub-fund Lazard Credit 2028

### Disclaimer

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

### • Risk of capital loss

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

### • Risk related to discretionary management

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

### • Credit risk

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

### • Interest rate risk

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

### • Sustainability risk

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

### • Liquidity risk

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

### • Reinvestment risk

Reinvestment risk is the risk that the Sub-fund faces when it reinvests the proceeds of an investment at a rate of return that is lower than that of the initial investment. If such a risk does occur, it could cause lower revenues and failure to meet the investment objective.

- **ESG investment risk and methodological limitations**

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

## 10. Guarantee or protection of the Sub-fund Lazard Credit 2028

None

## 11. Eligible subscribers and typical investor profile of the Sub-fund Lazard Credit 2028

This subfund is meant for any subscriber who wishes to take on exposure to bond markets throughout the recommended investment horizon and who is willing to accept the risks of such exposure.

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

### Information on Russian and Belarusian investors

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

### Information on US investors:

The Sub-fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

### FATCA:

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the Sub-fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

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

The amount that it is reasonable to invest in this Sub-fund depends on each investor's personal

circumstances. To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious

This Sub-fund may not be suitable for investors planning to withdraw their contributions before the end of its scheduled term, on 30/11/2028.

## 12. Allocation of distributable income of the Sub-fund Lazard Credit 2028

Distributable income consists of:

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

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

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

| Share                    |   |
|--------------------------|---|
| EC EUR , PC EUR , RC EUR | All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law                                  |
| ED EUR                   | Net income is distributed in full and the allocation of net realised capital gains is decided each year by the shareholders' meeting. It may pay interim dividends. |
| PD EUR , RD EUR          | The allocation of distributable income is decided each year by the shareholders' meeting. It may pay interim dividends.   |

## 13. Frequency of distribution of the Sub-fund Lazard Credit 2028

For EC EUR, PC EUR, RC EUR units: none, capitalisation shares.

A dividend may be paid out, where applicable, to holders of ED EUR, PD EUR and RD EUR shares once per year at the Portfolio Management Company's discretion. Interim dividend payments may also be distributed on an exceptional basis.

## 14. Characteristics of the shares (base currency, division of shares, etc.) of the Sub-fund Lazard Credit 2028

|  |          |
|--|----------|
| Share  |          |
| EC EUR, ED EUR, PC EUR, PD EUR, RC EUR, RD EUR | EUR      |
| Share  | Division |

|                                |                 |
|--------------------------------|-----------------|
| EC EUR, ED EUR                 | In whole number |
| PC EUR, PD EUR, RC EUR, RD EUR | In thousandths  |

## 15. Terms and conditions of subscription and redemption of the Sub-fund Lazard Credit 2028

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

### Date and frequency of NAV calculation

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

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

Where and how to find out the net asset value: the net asset value is published Daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

### Address of the institutions designated to receive subscription and redemption orders

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

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

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

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

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

Orders are executed as indicated in the table below

| Business day  | Day on which NAV is set (d)       | The business day following the valuation day (D+1) | Two business days following the valuation day (D+2) | Two business days following the valuation day (D+2) |
|---|-----------------------------------|--|---|---|
| Daily order reception and Daily centralisation of redemption orders before 12h00 (Paris time) | Order executed by the latest on d | Publication of the net asset value                 | Settlement of subscription                          | Settlement of redemptions                           |

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

### Redemption gate mechanism:

The management company may implement a gate mechanism to spread investors' redemption requests of the Sub-fund over several net asset values if they exceed a set threshold, when exceptional circumstances so require and if the interests of investors or the public so require.

### Description of the mechanism:

The management company may decide not to execute all redemptions at the same net asset value, when the objectively predetermined threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency of calculation of the net asset value of the Sub-fund, the Sub-fund management strategy and the liquidity of the assets in the portfolio.

For the Sub-fund, the cap on redemptions may be applied by the management company when the threshold of 10% of net assets is reached.

As the sub-fund has several share categories, the trigger level will be the same for all share categories of the sub-fund. This threshold of 10% applies to centralised redemptions for the whole of the UCI's assets and not specifically to the share categories of the sub-fund.

The gate trigger level is the ratio between:

- the difference recorded, on the same centralisation date, between the number of shares of the sub-fund for which redemption is requested or the total amount of these redemptions, and the number of shares of the sub-fund for which subscription is requested or the total amount of these subscriptions; and
- the net assets of the sub-fund or the total number of shares in the sub-fund.

Where redemption requests exceed the gate trigger threshold, the Sub-fund may, however, decide to honour redemption requests in excess of the threshold, and thus partially or fully execute any orders that might be blocked.

For example, if total redemption requests of shares represent 20% of net assets of the Sub-fund while the trigger threshold is set at 10% of net assets, the Sub-fund may decide to honour redemption requests up to 16% of net assets (and thus execute 80% of redemption requests).

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 1 month.

#### Procedures for informing unitholders:

In the event the redemption gate is activated, investors of the Sub-fund will be informed by any means from the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

Investors of the Sub-fund whose redemption orders have not been executed will be informed specifically as soon as possible.

#### Processing of unexecuted orders:

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for holders of the Sub-fund who have requested a redemption at the same net asset value.

Redemption orders so deferred will not have priority over subsequent redemption requests. Redemption orders that are not executed and automatically deferred may not be revoked by the holders of the Sub-fund.

#### Exemption from the gate mechanism:

Subscriptions and redemptions for the same number of shares, on the basis of the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to gates. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

## 16. Fees and expenses of the Sub-fund Lazard Credit 2028

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

| Charges payable by the investor during subscription and redemption | Basis | Share | Rate (maximum incl. taxes) |
|--|-------|-------|----------------------------|
|--|-------|-------|----------------------------|

|  |                        |  |       |
|--|------------------------|--|-------|
| Subscription fees not retained by the Sub-fund | NAV x number of shares | EC EUR, ED EUR                                 | 0.00% |
|  |                        | PC EUR, PD EUR, RC EUR, RD EUR                 | 1.00% |
| Subscription fees retained by the Sub-fund     | NAV x number of shares | EC EUR, ED EUR                                 | 5.00% |
|  |                        | PC EUR, PD EUR, RC EUR, RD EUR                 | 0.00% |
| Redemption fees not retained by the Sub-fund   | NAV x number of shares | EC EUR, ED EUR, PC EUR, PD EUR, RC EUR, RD EUR | 0.00% |
| Redemption fees retained by the Sub-fund       | NAV x number of shares | EC EUR, ED EUR, PC EUR, PD EUR, RC EUR, RD EUR | 0.00% |

| Expenses charged to the Sub-fund   | Basis      | Share  | Rate (maximum incl. taxes) |
|------------------------------------|------------|--|----------------------------|
| Financial management fees          | Net assets | EC EUR   | 0.35%                      |
|                                    |            | ED EUR   | 0.35%                      |
|                                    |            | PC EUR   | 0.50%                      |
|                                    |            | PD EUR   | 0.50%                      |
|                                    |            | RC EUR   | 1.00%                      |
|                                    |            | RD EUR   | 1.00%                      |
| Operating costs and other services | Net assets | Applied to all the shares                      | 0.035%                     |
| Indirect charges                   | N.A        | Applied to all the shares                      | None                       |
| Performance fees                   | Net assets | EC EUR, ED EUR, PC EUR, PD EUR, RC EUR, RD EUR | None                       |

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

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

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

Sub-fund.

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

## 17. Outline of the counterparty selection procedure of the Sub-fund Lazard Credit 2028

The intermediaries used in fixed-income management are selected using a range of evaluation criteria:

- Quality of order execution and negotiated prices;
- Quality of operational service in processing orders;
- Coverage of information when monitoring markets;
- Quality of macroeconomic and financial research.

The fixed-income managers report at least twice a year to the management company's Broker Committee, with an assessment of the services provided by the various brokers and a breakdown of transaction volumes. The Broker Committee approves any updates to the list of authorised brokers.

### **SUB-FUND Lazard Euro Credit SRI**

#### **GENERAL FEATURES OF THE SUB-FUND LAZARD EURO CREDIT SRI**

---

### 1. Features of the Sub-fund Lazard Euro Credit SRI

|  |   |
|--|---|
| Characteristics of shares                              |   |
| Share RC EUR   | FR0010751008  |
| Share PC EUR   | FR001400DLP8  |
| Share PVC EUR  | FR001400FNL8  |
| Nature of the rights attached to the Sub-fund's shares | Each shareholder has an ownership right in and to the assets of the Sub-fund in proportion to the number of shares owned.   |
| Voting rights attached to the Sub-fund's shares        | Each shareholder is entitled to one vote for each share held.   |
| Form of shares   | Bearer or administered registered at the unitholder's discretion.<br>The Sub-fund is listed with Euroclear France.  |
| Fractional or whole shares                             | The Sub-fund's shares may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the shares).                                     |
| Financial year end                                     | Last valuation day in September.  |
| First financial year end                               | Last valuation day in September 2023.   |
| Taxation   | The Sub-fund is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. |

## OTHER SPECIFICATIONS OF THE SUB-FUND LAZARD EURO CREDIT SRI

|                      |   |   |
|----------------------|---|---|
| Fund of fund         |   | None  |
| Classification       |   | Bonds and other euro-denominated debt securities  |
| Investment objective | Share RC EUR,<br>Share PC EUR,<br>Share PVC EUR | The investment objective is to achieve, by applying a Socially Responsible Investment (SRI) management approach, over the recommended investment horizon of 3 years, a return (net of charges) above the following benchmark: ICE BofAML Euro Corporate Index. The benchmark is expressed in EUR. Nets dividends or coupons are reinvested. |
| Benchmark indicator  | Share RC EUR,<br>Share PC EUR,<br>Share PVC EUR | ICE BofAML Euro Corporate Index<br>The ICE BofAML Euro Corporate Index index consists of investment grade, euro-denominated private issues. Transaction charges are included.<br>Data is available on the website: <a href="http://www.indices.theice.com">www.indices.theice.com</a><br>Bloomberg code: ER00 Index                         |

### 1. Strategies used of the Sub-fund Lazard Euro Credit SRI

By applying Socially Responsible Investment (SRI) management through the analysis and integration of environmental, social and governance (ESG) criteria, the Sub-Fund aims to outperform the ICE BofAML Euro Corporate index by managing interest rate and credit risk through investment in bonds and negotiable debt securities denominated in euro, at variable, fixed or indexed rates.

The manager may also implement arbitrage strategies according to his expectations of the yield curve trend.

Information on the Sub-Fund's modified duration is shown in the table below:

| Interest rate risk (including derivatives) | Investment |      | Exposure |      |
|--|------------|------|----------|------|
|  | Min.       | Max. | Min.     | Max. |
| Interest rate risk sensitivity range       | 0          | 8    | 0        | 8    |

| Credit risk (including derivatives) |               | Investment |      | Exposure |      |
|-------------------------------------|---------------|------------|------|----------|------|
|                                     |               | Min.       | Max. | Min.     | Max. |
| Issuer's Zone                       | Europe Zone   | 60%        | 100% | 60%      | 100% |
|                                     | Other regions | 0%         | 40%  | 0%       | 40%  |

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

Investments are made in euro-denominated securities. These issues are rated in the investment grade category by the rating agencies or equivalent based on the management company's analysis (up to a maximum of 100% of the net assets), as well as the speculative/High Yield category (as rated by the rating agencies) or equivalent



based on the management company's analysis, or specialised High Yield UCIs (up to a maximum of 30% of the net assets), or in securities not rated by a rating agency (up to a maximum of 10% of the net assets). Investments may also be made in convertible bonds.

The investment universe includes the various categories of subordinated debt. These debt securities have a specific risk profile that differs from that of traditional bonds.

Investment in subordinated securities is authorised up to a maximum of 30% of net assets.

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

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

### **ESG analysis and selection**

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

The information relating to the principal adverse impacts on sustainability factors is published in the Sub-Fund's periodic SFDR reports.

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

On the basis of these internal ESG analysis grids, the bond analyst-managers

- Limit to 30% of the portfolio the proportion of issuers with a score of three or less for Investment Grade funds,
- Exclude issuers with a rating of 2 or less.

### **SRI management**

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

The Sub-Fund is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, stock picking 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 then capped at 10% of total assets).

In the interests of integrity and objectivity, the ratings used for SRI management are produced by an independent external partner in accordance with a best-in-universe approach, which consists in giving preference to issuers with the best extra-financial ratings, irrespective of their business sector.

In the context 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 criterion:

- 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 ER00 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,
- Protection of healthy ecosystems.

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

The “Do No Significant Harm” principle applies only to investments underlying the financial product that take into account the European Union’s criteria for environmentally sustainable economic activities.

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

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

## **2. Assets (excluding embedded derivatives) of the Sub-fund Lazard Euro Credit SRI**

Debt securities and money market instruments:

- Up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euro. These securities and bonds may be of any rank and of any form.

- Up to a maximum of 100% of the net assets in euro-denominated debt issued and/or guaranteed by Member

States of the European Union, or by public and semi-public bodies of Member States of the European Union.

- Up to a maximum of 20% of the net assets in convertible bonds.
- Up to a maximum of 10% of the net assets in contingent convertible bonds (CoCos bonds).
- Up to a maximum of 30% of the net assets in subordinated bonds.
- Up to a maximum of 30% of the net assets in speculative/High Yield bonds (rated as such by the rating agencies or an equivalent rating based on the management company's analysis).
- Up to a maximum of 10% of the net assets in bonds not rated by a rating agency.

#### UCIs:

Money market UCITS-compliant or alternative investment funds, short-term money market or French bond funds for up to 10% of the net assets.

Investment is solely made in UCITS or alternative investment funds (AIFs) that may not themselves invest more than 10% of their assets in other UCIs.

These UCIs may be managed by the management company.

### 3. Derivatives of the Sub-fund Lazard Euro Credit SRI

- Types of markets:

- regulated
- organised
- OTC

- The manager intends to seek exposure to:

- equities
- interest rates
- currencies
- credit
- other

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

- hedging
- exposure
- arbitrage
- other

- Type of instruments used:

- futures:
  - equity and equity index
  - interest rate • Hedging: minimum 0% - maximum 100% of the net assets • Exposure: minimum 0% - maximum 100% of the net assets
  - currency: to systematically hedge assets denominated in a currency other than the UCI's
  - other
- options:
  - equity and equity index

- interest rate: hedging of interest rate risk and hedging of or exposure to interest rate volatility risk
- Hedging: minimum 0% - maximum 100% of the net assets • Exposure: minimum 0% - maximum 100% of the net assets
- currency
- other
- swaps:
  - equity swaps
  - interest rate swaps: transformation of remuneration from variable rate to variable rate, from variable rate to fixed rate and vice versa • Use: minimum 0% - maximum 100% of net assets
  - currency swaps: systematic hedging of currency risk
  - performance swaps
- currency forwards: systematic hedging of currency risk
- credit derivatives: CDS authorised up to a maximum of 40% of net assets
- other
- Strategy of use of derivatives to achieve the investment objective:
  - partial or general portfolio hedging
  - creating synthetic exposure to assets and risks
  - increasing exposure to the market without leverage
  - maximum permitted and sought
  - other strategy

Interest rate swap transactions may only be carried out with counterparties that have been authorised by the management company's credit committee. Derivatives will be used to provide tactical exposure to interest rate risk. This would also entail anticipation of yield curve distortion which would not be covered by market liquidity. Interest rate swaps may be used to hedge the risk of a spread in the remuneration of corporate bonds in relation to government bonds and to protect or expose those maturities that are least present within corporate and governmental issues.

#### 4. Securities with embedded derivatives of the Sub-fund Lazard Euro Credit SRI

The manager may invest in all securities with embedded derivatives permitted under the management company's business plan, including convertible bonds and callable and puttable bonds, as well as warrants, traded on regulated, organised or OTC markets.

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

Investment in securities with embedded derivatives is allowed for up to a maximum of 100% of the net assets.

#### 5. Deposits of the Sub-fund Lazard Euro Credit SRI

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

#### 6. Cash borrowings of the Sub-fund Lazard Euro Credit SRI

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

to its operating needs.

## 7. Temporary purchases and sales of securities of the Sub-fund Lazard Euro Credit SRI

None

## 8. Information on financial guarantees of the Sub-fund Lazard Euro Credit SRI

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

## 9. Risk profile of the Sub-fund Lazard Euro Credit SRI

### Disclaimer

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

### • Risk of capital loss

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

### • Risk related to discretionary management

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

### • Credit risk

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

### • Interest rate risk

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

### • Convertible bond risk

The Sub-fund may invest in securities and other UCI that in turn are authorised to acquire convertible bonds. This would mean its net asset value could decrease in the event of an increase in interest rates, a deterioration in the issuer's risk profile, a decline in the equity markets, or a decline in the value of the conversion options.

- **Equity risk**

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

- **Derivative financial instrument risk**

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

- **Counterparty risk**

This type with one or more counterparties potentially exposes the Sub-fund to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the Sub-fund's net asset value.

- **Sustainability risk**

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

- **ESG investment risk and methodological limitations**

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

## 10. Guarantee or protection of the Sub-fund Lazard Euro Credit SRI

None

## 11. Eligible subscribers and typical investor profile of the Sub-fund Lazard Euro Credit SRI

The Sub-Fund is intended for all unitholders seeking to optimise their investments in fixed-income instruments. The Sub-Fund may be used with life insurance and savings policies. Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this Sub-Fund.

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

### **Information on Russian and Belarusian investors**

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

### **Information on US investors:**

The Sub-fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

**FATCA:**

Pursuant to the provisions of the Foreign Account Tax Compliance Act (“FATCA”) applicable as of July 1st, 2014, if the Sub-fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions (“foreign financial institutions”) agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

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

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

This Sub-fund may not be suitable for investors planning to withdraw their contributions within 3 years.

**12. Allocation of distributable income of the Sub-fund Lazard Euro Credit SRI**

Distributable income consists of:

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

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

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

| Share                     |  |
|---------------------------|--|
| RC EUR , PC EUR , PVC EUR | All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law |

**13. Frequency of distribution of the Sub-fund Lazard Euro Credit SRI**

None. Accumulation fund.

#### 14. Characteristics of the shares (base currency, division of shares, etc.) of the Sub-fund Lazard Euro Credit SRI

|                         |                |     |
|-------------------------|----------------|-----|
| Share                   |                |     |
| RC EUR, PC EUR, PVC EUR |                | EUR |
| Share                   | Division       |     |
| RC EUR, PC EUR, PVC EUR | In thousandths |     |

#### 15. Terms and conditions of subscription and redemption of the Sub-fund Lazard Euro Credit SRI

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

##### Date and frequency of NAV calculation

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

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

Where and how to find out the net asset value: the net asset value is published Daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

##### Address of the institutions designated to receive subscription and redemption orders

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

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

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

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

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

Orders are executed as indicated in the table below

| Business day   | Day on which NAV is set (d)       | The business day following the valuation day (D+1) | Two business days following the valuation day (D+2) | Two business days following the valuation day (D+2) |
|--|-----------------------------------|--|---|---|
| Daily order reception and Daily centralisation of redemption orders before 12:00 p.m. (Paris time) | Order executed by the latest on d | Publication of the net asset value                 | Settlement of subscription                          | Settlement of redemptions                           |

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



**Redemption gate mechanism:**

The management company may implement a gate mechanism to spread investors' redemption requests of the Sub-fund over several net asset values if they exceed a set threshold, when exceptional circumstances so require and if the interests of investors or the public so require.

Description of the mechanism:

The management company may decide not to execute all redemptions at the same net asset value, when the objectively predetermined threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency of calculation of the net asset value of the Sub-fund, the Sub-fund management strategy and the liquidity of the assets in the portfolio.

For the Sub-fund, the cap on redemptions may be applied by the management company when the threshold of 5% of net assets is reached.

As the sub-fund has several share categories, the trigger level will be the same for all share categories of the sub-fund. This threshold of 5% applies to centralised redemptions for the whole of the UCI's assets and not specifically to the share categories of the sub-fund.

The gate trigger level is the ratio between:

- the difference recorded, on the same centralisation date, between the number of shares of the sub-fund for which redemption is requested or the total amount of these redemptions, and the number of shares of the sub-fund for which subscription is requested or the total amount of these subscriptions; and
- the net assets of the sub-fund or the total number of shares in the sub-fund.

Where redemption requests exceed the gate trigger threshold, the Sub-fund may, however, decide to honour redemption requests in excess of the threshold, and thus partially or fully execute any orders that might be blocked.

For example, if total redemption requests of shares represent 10% of net assets of the Sub-fund while the trigger threshold is set at 5% of net assets, the Sub-fund may decide to honour redemption requests up to 8% of net assets (and thus execute 80% of redemption requests).

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 1 month.

Procedures for informing unitholders:

In the event the redemption gate is activated, investors of the Sub-fund will be informed by any means from the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

Investors of the Sub-fund whose redemption orders have not been executed will be informed specifically as soon as possible.

Processing of unexecuted orders:

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for holders of the Sub-fund who have requested a redemption at the same net asset value.

Redemption orders so deferred will not have priority over subsequent redemption requests. Redemption orders that are not executed and automatically deferred may not be revoked by the holders of the Sub-fund.

Exemption from the gate mechanism:

Subscriptions and redemptions for the same number of shares, on the basis of the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to gates. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

## 16. Fees and expenses of the Sub-fund Lazard Euro Credit SRI

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

| Charges payable by the investor during subscription and redemption | Basis                  | Share                   | Rate (maximum incl. taxes) |
|--|------------------------|-------------------------|----------------------------|
| Subscription fees not retained by the Sub-fund                     | NAV x number of shares | RC EUR                  | 4.0%                       |
|  |                        | PC EUR, PVC EUR         | 0.0%                       |
| Subscription fees retained by the Sub-fund                         | NAV x number of shares | RC EUR, PC EUR, PVC EUR | 0.0%                       |
| Redemption fees not retained by the Sub-fund                       | NAV x number of shares | RC EUR, PC EUR, PVC EUR | 0.0%                       |
| Redemption fees retained by the Sub-fund                           | NAV x number of shares | RC EUR, PC EUR, PVC EUR | 0.0%                       |

**Exemption:** No subscription and/or redemption fee will be charged in the case of a redemption followed by a subscription, on the same day, for the same amount, based on the same NAV.

| Expenses charged to the Sub-fund   | Basis   | Share                         | Rate (maximum incl. taxes)     |                                    |
|--|---|-------------------------------|--------------------------------|------------------------------------|
| Financial management fees  | Net assets less UCIs managed by Lazard Frères Gestion | RC EUR                        | 1.0%                           |                                    |
|  |   | PC EUR                        | 0.50%                          |                                    |
|  |   | PVC EUR                       | 0.30%                          |                                    |
| Operating costs and other services   | Net assets  | Applied to all the shares     | 0.035%                         |                                    |
| Indirect charges   | N.A   | Applied to all the shares     | None                           |                                    |
| Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian) | Maximum charge on each transaction                    | Applied to the all the shares | Fixed-income instruments       | None                               |
|  |   |                               | Futures and other transactions | From €0 to €450 per batch/contract |
| Performance fees   | Net assets  | RC EUR, PC EUR                | None                           |                                    |
|  |   | PVC EUR                       |                                |                                    |

Details of the calculation of the performance fee:

The performance fee corresponds to a variable charge and is contingent on the Sub-fund outperforming its

benchmark over the observation period.

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

### Calculation method

The calculation of the amount of the performance fee is based on a comparison between the performance of each share of the Sub-fund and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual Fund. The outperformance generated by the Sub-fund's share on a given date is defined as the positive difference between the assets of the Fund's 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 periodAs 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 share of the Sub-fund 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 share of the Sub-fund outperformed over the observation period. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

### Provisioning

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

### 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 Sub-fund.

### ILLUSTRATION: GENERAL CASE WITHOUT CHARGE WHEN PERFORMANCE IS NEGATIVE

|   | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|--------|--------|--------|--------|--------|
| Performance of the shares of the Sub-fund | 10%    | -4%    | -7%    | 6%     | 3%     |
| Performance of reference indicator        | 5%     | -5%    | -3%    | 4%     | 0%     |
| Outperformance/<br>Underperformance       | 5%     | 1%     | -4%    | 2%     | 3%     |

|   |  |  |  |   |  |
|---|--|--|--|---|--|
| Cumulative performance of the Sub-fund over the observation period            | 10%  | -4%  | -7%  | -1%   | 2%   |
| Cumulative performance of the reference indicator over the observation period | 5%   | -5%  | -3%  | 1%  | 1%   |
| Cumulative outperformance/underperformance over the observation period        | 5%   | 1%   | -4%  | -2%   | 1%   |
| Commission charged?   | Yes  | Yes  | No, because the Sub-fund underperformed the reference indicator  | No, because the Sub-fund has underperformed over the entire current observation period, which began in year 3 | Yes  |
| Start of new observation period?  | Yes, a new observation period begins in year 2 | Yes, a new observation period begins in year 3 | No, the observation period is extended to include years 3 and 4* | No, the observation period is extended to include years 3, 4 and 5  | Yes, a new observation period begins in year 6 |

Note: To make the example easier to understand, we have indicated here the performance of the Sub-fund and the reference indicator in percentages. In practice, the outperformance/underperformance will be measured in amount, by the difference between the net assets of the Sub-fund and those of a notional fund as described in the methodology above. The performance fee may be capped in accordance with the provisions of the prospectus. \* From this year on, the Sub-fund must offset, over the next five years, this underperformance, as well as the underperformances that already had to be made up before further charges are made.

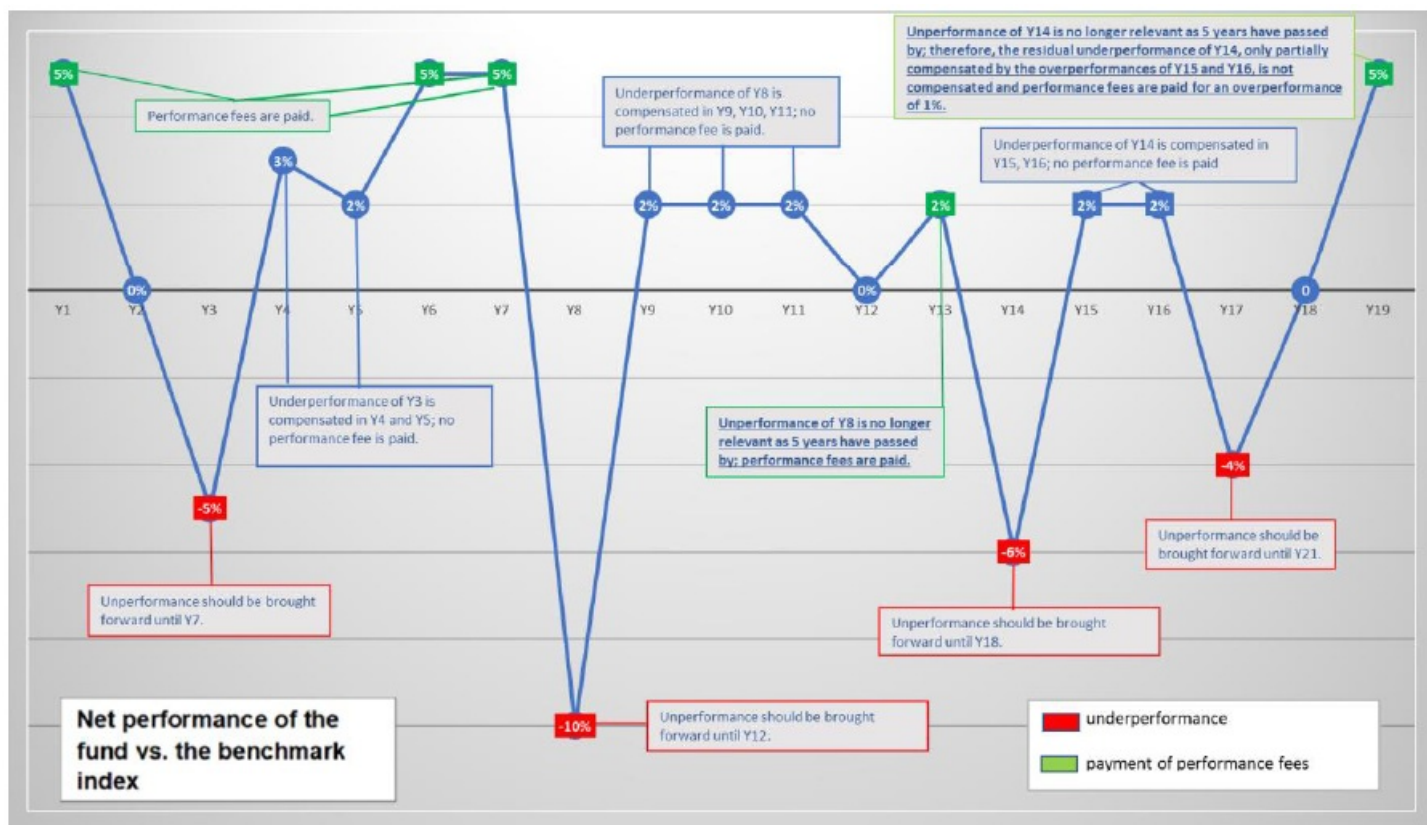
**ILLUSTRATION: TREATMENT OF PERFORMANCES NOT OFFSET BEYOND FIVE YEARS – EXAMPLE:**

| Year (Closing data) | Yield of the asset valued in quantity | Yield of the benchmark asset in quantity | Net yield (Comparison between the Subfund's valued assets and the Benchmark value, as described below) | Underperformance to be offset the following year | Performance fees? | Comments  |
|---------------------|---------------------------------------|--|--|--|-------------------|-----------|
| Year 1              | 10                                    | 5  | Outperformance: +5<br>Calculation : 10 - 5   | -  | Yes               | (5 X 20%) |
| Year 2              | 5                                     | 5  | Yield net: 0<br>Calculation : 5 - 5  | -  | No                |           |

|         |     |    |  |                 |     |   |
|---------|-----|----|--|-----------------|-----|---|
| Year 3  | 3   | 8  | Underperformance : -5<br>Calculation : 3 - 8   | -5              | No  | The underperformance must be moved forward until year 7.  |
| Year 4  | 4   | 1  | Outperformance: +3<br>Calculation : 4 - 1      | -2<br>(-5 + 3)  | No  |   |
| Year 5  | 2   | 0  | Outperformance: +2<br>Calculation : 2 - 0      | 0<br>(-2 + 2)   | No  | Underperformance of year 3 offset                         |
| Year 6  | -1  | -6 | Outperformance: +5<br>Calculation: -1 - (-6)   | -               | Yes | (5 X 20%)   |
| Year 7  | 4   | -1 | Outperformance: +5<br>Calculation: 4 - (-1)    | -               | Yes | (5 X 20%)   |
| Year 8  | -10 | 0  | Underperformance : -10<br>Calculation: -10 - 0 | -10             | No  | The underperformance must be moved forward until year 12. |
| Year 9  | -1  | -3 | Outperformance: +2<br>Calculation: -1 - (-3)   | -8<br>(-10 + 2) | No  |   |
| Year 10 | -5  | -7 | Outperformance: +2<br>Calculation: -5 - (-7)   | -6<br>(-8 + 2)  | No  |   |
| Year 11 | 0   | -2 | Outperformance: +2<br>Calculation: 0 - (-2)    | -4<br>(-6 + 2)  | No  |   |

|         |   |   |   |                 |     |   |
|---------|---|---|---|-----------------|-----|---|
| Year 12 | 1 | 1 | Yield net: +0<br>Calculation: 1 - 1           | -4              | No  | The underperformance of year 12 that must be moved forward to the following year (year 13) is 0 (and not -4), given that the residual underperformance from year 8, which has not yet been offset (-4), is no longer relevant, as a five-year period has past (the underperformance of year 8 is offset until year 12). |
| Year 13 | 4 | 2 | Outperformance:<br>+2<br>Calculation: 4 - 2   | -               | Yes | (2 X 20%)   |
| Year 14 | 1 | 7 | Underperformance:<br>-6<br>Calculation: 1 - 7 | -6              | No  | The underperformance must be moved forward until year 18.   |
| Year 15 | 6 | 4 | Outperformance:<br>+2<br>Calculation: 6 - 4   | -4<br>(-6 + 2)  | No  |   |
| Year 16 | 5 | 3 | Outperformance:<br>+2<br>Calculation: 5 - 3   | -2<br>(-4 + 2)  | No  |   |
| Year 17 | 1 | 5 | Underperformance:<br>-4<br>Calculation: 1 - 5 | -6<br>(-2 + -4) | No  | The underperformance must be moved forward until year 21.   |

|         |   |   |   |               |     |   |
|---------|---|---|---|---------------|-----|---|
| Year 18 | 3 | 3 | Yield net: 0<br>Calculation: 3 - 3          | -4            | No  | The underperformance of year 18 that must be advanced to the following year (year 19) is 4 (and not -6), given the residual underperformance from year 14, which has not yet been offset (-2), is no longer relevant, as a five-year period has passed (the underperformance of year 14 is offset until year 18). |
| Year 19 | 7 | 2 | Outperformance:<br>+5<br>Calculation: 7 - 2 | 1<br>(-4 + 5) | Yes | Underperformance of year 18 offset (1 X 20%)  |



The above example is provided purely for illustration and in no way constitutes a projection of the Fund's future performance.

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

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

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

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

## 17. Outline of the counterparty selection procedure of the Sub-fund Lazard Euro Credit SRI

The intermediaries used by the management are selected using a range of evaluation criteria:

- Quality of order execution and negotiated prices;
- Quality of operational service in processing orders;
- Coverage of information when monitoring markets;
- Quality of macroeconomic and financial research.

The managers report at least twice a year to the management company's Broker Committee, with an assessment of the services provided by the various brokers and a breakdown of transaction volumes. The Broker Committee approves any updates to the list of authorised brokers.



**GENERAL FEATURES OF THE SUB-FUND LAZARD HIGH YIELD 2029****1. Features of the Sub-fund Lazard High Yield 2029**

|  |   |
|--|---|
| Characteristics of shares                              |   |
| Share EC EUR   | FR001400NTN5  |
| Share ED EUR   | FR001400NTO3  |
| Share PC EUR   | FR001400NTP0  |
| Share PD EUR   | FR001400NTQ8  |
| Share RC EUR   | FR001400NTR6  |
| Share RD EUR   | FR001400NTS4  |
| Share CC EUR   | FR001400NTT2  |
| Nature of the rights attached to the Sub-fund's shares | Each shareholder has an ownership right in and to the assets of the Sub-fund in proportion to the number of shares owned.   |
| Voting rights attached to the Sub-fund's shares        | Each shareholder is entitled to one vote for each share held.   |
| Form of shares   | Bearer or administered registered at the unitholder's discretion.<br>The Sub-fund is listed with Euroclear France.  |
| Fractional or whole shares                             | The Sub-fund's shares may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the shares).                                     |
| Financial year end                                     | Last valuation day in September.  |
| First financial year end                               | Last valuation day in September 2024.   |
| Taxation   | The Sub-fund is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. |

**OTHER SPECIFICATIONS OF THE SUB-FUND LAZARD HIGH YIELD 2029**

|                |  |
|----------------|--|
| Fund of fund   | None   |
| Classification | Bonds and other euro-denominated debt securities |

|                                   |  |   |
|-----------------------------------|--|---|
| Investment objective              | Share EC EUR, Share ED EUR, Share PC EUR, Share PD EUR, Share RC EUR, Share RD EUR, Share CC EUR | The subfund's investment objective, at the time of subscription and over a five-year horizon, is to achieve a return after fees that is tied to the current yields of high-yield bonds maturing in 2029. This objective assumes that subfund shares will be held throughout the recommended investment horizon and that the Management Company's market projections will be realised. Under no circumstances does it constitute a promise of subfund yield or performance. Such market projections include a risk of default or downgrade of one or more issuers in the portfolio. If such risks materialise to a greater degree than in the financial manager's assumptions, it is possible that the investment objective will not be achieved. The subfund may invest exclusively in euro-denominated bonds and other money-market debt securities from public- or private-sector issuers, to which net assets will be exposed in an amount between 0% and 100% at all times. The subfund seeks to profit from actuarial yields deemed attractive on bonds from private-sector issuers. The subfund shall invest only in bonds or other securities from issuers having their registered office in an OECD member-country and/or in issues or securities listed on a market of an OECD member-country. |
| Benchmark indicator               | Share EC EUR, Share ED EUR, Share PC EUR, Share PD EUR, Share RC EUR, Share RD EUR, Share CC EUR | None<br>The Sub-fund will not be managed relative to a benchmark index, which could cause misunderstanding by the investor. Accordingly, no benchmark index has been selected.  |
| Benchmark ESG investment universe | 100% HE00 Index  |   |

## 1. Strategies used of the Sub-fund Lazard High Yield 2029

The subfund’s investment objective, at the time of subscription and over a five-year investment horizon is to achieve a return after fees that is tied to the current yields of high-yield bonds maturing in 2029. This objective assumes that the subfund shares will be held throughout the recommended investment horizon and that the Management Company’s market projections will be realised. Under no circumstances does it constitute a promise of subfund yield or performance. Such market projections include a risk of default or downgrade of one or more issuers in the portfolio. If such risks materialise to a greater degree than in the financial manager’s assumptions, it is possible that the investment objective will not be achieved. The subfund may invest exclusively in euro-denominated bonds and other money-market debt securities from public- or private-sector issuers, to which net assets will be exposed in an amount between 0% and 100% at all times.

The subfund seeks to profit from actuarial yields deemed attractive on bonds from private-sector issuers. The subfund shall invest only in bonds or other securities from issuers having their registered office in an OECD member-country and/or in issues or securities listed on a market of an OECD member-country.

The range of sensitivity shall be between 0 and 5.5.

The investment strategy consists in applying a quantitative filter to isolate bonds and money-market debt securities that meet the subfund’s investment criteria through their first date of final maturity or early redemption (31 December 2029). In constructing his portfolio, the manager shall conduct his own qualitative bond research. He may also make use of agency ratings, but not exclusively or automatically.

The subfund’s investment strategy is based mainly on a “carry” strategy (i.e., buying securities and holding them in the portfolio until their first date of final maturity, or early redemption, at the discretion of the issuer or bondholder). That being said, the manager reserves the right to manage the portfolio actively by selling one security and buying another. The subfund’s turnover will accordingly be low, estimated at 10% on average per year.

The subfund shall invest exclusively in euro-denominated bonds and other money-market debt securities from private- and public-sector issuers, with no rating constraints. The subfund shall be exposed to high-yield bonds in an amount between 85% and 100% of its net assets as rated by ratings agencies (i.e., between “BB+” and “B-“). The subfund may also be exposed in an amount up to 15% to bonds rated investment grade by ratings agencies.

The subfund may also be exposed, in an amount up to 5% of its net assets, to high-yield bonds rated CCC following a downgrade.

The subfund may be exposed to hybrid corporate bonds in an amount up to 20% of its net assets.

The subfund may be exposed to Additional Tier 1 contingent convertible bonds (“coco bonds”) in an amount up to 20% of its net assets.

| Interest-rate risk (including derivatives) | Investments |      | Exposure |      |
|--|-------------|------|----------|------|
|  | Min         | Max  | Min      | Max  |
| Range of sensitivity to interest-rate risk | 0           | +5.5 | 0        | +5.5 |

| Credit risk                  | Investments |      | Exposure |      |
|------------------------------|-------------|------|----------|------|
|                              | Min         | Max  | Min      | Max  |
| Issuer’s geographical region |             |      |          |      |
| Europe                       | 0%          | 100% | 0%       | 100% |
| Rest of world                | 0%          | 100% | 0%       | 100% |

The subfund may invest in other mutual funds of any category meeting the four criteria of Article R214-13 of the French Monetary and Financial Code in an amount up to 10% of its net assets. Investments in other mutual funds shall be exclusively in funds that themselves invest less than 10% of their net assets in other funds. All such funds

may be managed by the Management Company.

After 31 December 2029, if market conditions allow, and subject to the approval of the French Financial Markets Authority (AMF), the subfund's strategy will be rolled over for a new carry duration. Otherwise, the subfund will be liquidated, merged with another fund, or modified, subject to AMF approval. The Management Company reserves the right, subject to AMF approval, to liquidate the fund prior to its end date when the performance expected during the remaining period is close to that of the money market during the period.

### **Extra-financial criteria**

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR). All ESG information is appended to this prospectus.

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

#### Analysis of investments in directly-held bonds

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

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

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

- 1) lower revenues;
- 2) higher costs;
- 3) damage to or impairment of the value of assets;
- 4) higher cost of capital; and
- 5) fines or regulatory risks.

Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

#### Conditions for reduced disclosure of the inclusion of extra-financial criteria:

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

- 90% of net assets for bonds issued by large caps with their headquarters in "developed" countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;
- 75% of net assets for bonds issued by large caps with their headquarters in "emerging" countries, equities issued by small and mid caps, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by "emerging" countries.

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

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

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

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

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

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

The "Do No Significant Harm" principle applies only to investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities.

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

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

## **2. Assets (excluding embedded derivatives) of the Sub-fund Lazard High Yield 2029**

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

Exclusively euro-denominated bonds and negotiable securities issued by governments, companies and financial institutions in an amount up to 100% of net assets.

### **Other mutual funds**

Up to 10% of its net assets in French OPCVM funds or French AIFs of any category meeting the four criteria of Article R214-13 of the French Monetary and Financial Code.

Investments in other mutual funds shall be exclusively in funds that themselves invest less than 10% of their net assets in other funds. Such funds may be managed by the Management Company.

## **3. Derivatives of the Sub-fund Lazard High Yield 2029**

None

#### 4. Securities with embedded derivatives of the Sub-fund Lazard High Yield 2029

The manager may invest up to 100% of net assets in any type of security having embedded derivatives allowed by the Management Company's business plan.

In so doing, the manager may take positions to hedge and/or expose the portfolio to certain economic sectors, geographical regions, and equities (all market cap classes) or similar securities for the purpose of achieving the investment objective.

#### 5. Deposits of the Sub-fund Lazard High Yield 2029

Deposits may be used in managing the subfund in an amount up to 10% of its net assets.

#### 6. Cash borrowings of the Sub-fund Lazard High Yield 2029

The subfund may use cash borrowings in an amount up to 10% of its net assets to meet exceptional cash needs.

#### 7. Temporary purchases and sales of securities of the Sub-fund Lazard High Yield 2029

None

#### 8. Information on financial guarantees of the Sub-fund Lazard High Yield 2029

None

#### 9. Risk profile of the Sub-fund Lazard High Yield 2029

##### Disclaimer

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

##### • Risk of capital loss

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

##### • Risk related to discretionary management

Discretionary management is based on anticipation of market trends. The Sub-fund's performance is dependent both on the selection of securities and UCI picked by the manager and the manager's asset

allocation. There is therefore a risk that the manager will not select the best performing securities and that the asset allocation is not optimal.

- **Credit risk**

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

- **Interest rate risk**

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

- **Sustainability risk**

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

- **Liquidity risk**

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

- **Reinvestment risk**

Reinvestment risk is the risk that the Sub-fund faces when it reinvests the proceeds of an investment at a rate of return that is lower than that of the initial investment. If such a risk does occur, it could cause lower revenues and failure to meet the investment objective.

- **ESG investment risk and methodological limitations**

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

## 10. Guarantee or protection of the Sub-fund Lazard High Yield 2029

None

## 11. Eligible subscribers and typical investor profile of the Sub-fund Lazard High Yield 2029

This subfund is meant for any investor who wishes to take on exposure to the bond markets over the recommended investment horizon and who is willing to accept the risks arising from such exposure.

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

### Information on Russian and Belarusian investors

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

**Information on US investors:**

The Sub-fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

**FATCA:**

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the Sub-fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

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

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

This Sub-fund may not be suitable for investors planning to withdraw their contributions before the end of its scheduled term, on 30/03/2029.

## 12. Allocation of distributable income of the Sub-fund Lazard High Yield 2029

Distributable income consists of:

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

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

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



|                                      |   |
|--------------------------------------|---|
| Share                                |   |
| EC EUR , PC EUR ,<br>RC EUR , CC EUR | All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law                                  |
| ED EUR                               | Net income is distributed in full and the allocation of net realised capital gains is decided each year by the shareholders' meeting. It may pay interim dividends. |
| PD EUR , RD EUR                      | The allocation of distributable income is decided each year by the shareholders' meeting. It may pay interim dividends.   |

### 13. Frequency of distribution of the Sub-fund Lazard High Yield 2029

For EC EUR, PC EUR, CC EUR, and RC EUR shares: None, as these are capitalisation shares.

For ED EUR, PD EUR and RD EUR shares: the dividend is distributed once a year following the Shareholders' Meeting convened to approve the accounts of the financial year just ended. Interim dividends may be paid.

### 14. Characteristics of the shares (base currency, division of shares, etc.) of the Sub-fund Lazard High Yield 2029

|  |                 |
|--|-----------------|
| Share  |                 |
| EC EUR, ED EUR, PC EUR, PD EUR, RC EUR, RD EUR, CC EUR | EUR             |
| Share  | Division        |
| EC EUR, ED EUR   | In whole number |
| PC EUR, PD EUR, RC EUR, RD EUR, CC EUR                 | In thousandths  |

### 15. Terms and conditions of subscription and redemption of the Sub-fund Lazard High Yield 2029

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

#### **Date and frequency of NAV calculation**

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

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

Where and how to find out the net asset value: the net asset value is published Daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

#### **Address of the institutions designated to receive subscription and redemption orders**

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

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

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

Orders are executed as indicated in the table below

| Valuation day (D)   | Day on which NAV is set (d)       | The business day following the valuation day (D+1) | Two business days following the valuation day (D+2) | Two business days following the valuation day (D+2) |
|---|-----------------------------------|--|---|---|
| Daily order reception and Daily centralisation of redemption orders before 12:00 (Paris time) | Order executed by the latest on d | Publication of the net asset value                 | Settlement of subscription                          | Settlement of redemptions                           |

**The subfund will be closed to new investments after the cut-off time on 31 March 2026. Effective this date, the only transactions allowed will be subscriptions preceded by a redemption made the same day for the same number of shares, at the same net asset value, and by the same shareholder. The subscription period may be extended at the Management Company's discretion.**

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

#### **Redemption gate mechanism:**

The management company may implement a gate mechanism to spread investors' redemption requests of the Sub-fund over several net asset values if they exceed a set threshold, when exceptional circumstances so require and if the interests of investors or the public so require.

#### Description of the mechanism:

The management company may decide not to execute all redemptions at the same net asset value, when the objectively predetermined threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency of calculation of the net asset value of the Sub-fund, the Sub-fund management strategy and the liquidity of the assets in the portfolio.

For the Sub-fund, the cap on redemptions may be applied by the management company when the threshold of 10% of net assets is reached.

As the sub-fund has several share categories, the trigger level will be the same for all share categories of the sub-fund. This threshold of 10% applies to centralised redemptions for the whole of the UCI's assets and not specifically to the share categories of the sub-fund.

The gate trigger level is the ratio between:

- the difference recorded, on the same centralisation date, between the number of shares of the sub-fund for which redemption is requested or the total amount of these redemptions, and the number of shares of the sub-fund for which subscription is requested or the total amount of these subscriptions; and
- the net assets of the sub-fund or the total number of shares in the sub-fund.

Where redemption requests exceed the gate trigger threshold, the Sub-fund may, however, decide to honour redemption requests in excess of the threshold, and thus partially or fully execute any orders that might be blocked.

For example, if total redemption requests of shares represent 20% of net assets of the Sub-fund while the trigger threshold is set at 10% of net assets, the Sub-fund may decide to honour redemption requests up to 16% of net assets (and thus execute 80% of redemption requests).

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 1 month.

#### Procedures for informing unitholders:

In the event the redemption gate is activated, investors of the Sub-fund will be informed by any means from the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

Investors of the Sub-fund whose redemption orders have not been executed will be informed specifically as soon as possible.

#### Processing of unexecuted orders:

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for holders of the Sub-fund who have requested a redemption at the same net asset value.

Redemption orders so deferred will not have priority over subsequent redemption requests. Redemption orders that are not executed and automatically deferred may not be revoked by the holders of the Sub-fund.

#### Exemption from the gate mechanism:

Subscriptions and redemptions for the same number of shares, on the basis of the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to gates. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

## 16. Fees and expenses of the Sub-fund Lazard High Yield 2029

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

| Charges payable by the investor during subscription and redemption | Basis                  | Share  | Rate (maximum incl. taxes)    |
|--|------------------------|--|-------------------------------|
| Subscription fees not retained by the Sub-fund                     | NAV x number of shares | EC EUR, ED EUR, CC EUR                                 | 0.0%                          |
|  |                        | PC EUR, PD EUR, RC EUR, RD EUR                         | 1.0%                          |
| Subscription fees retained by the Sub-fund                         | NAV x number of shares | EC EUR   | 5.0% effective 1 October 2024 |
|  |                        | ED EUR   |                               |
|  |                        | PC EUR, PD EUR, RC EUR, RD EUR, CC EUR                 | 0.0%                          |
| Redemption fees not retained by the Sub-fund                       | NAV x number of shares | EC EUR, ED EUR, PD EUR, RC EUR, RD EUR, CC EUR         | 0.0%                          |
|  |                        | PC EUR   | 1.0%                          |
| Redemption fees retained by the Sub-fund                           | NAV x number of shares | EC EUR, ED EUR, PC EUR, PD EUR, RC EUR, RD EUR, CC EUR | 0.0%                          |
| Expenses charged to the Sub-fund                                   | Basis                  | Share  | Rate (maximum incl. taxes)    |
|  |                        | EC EUR   | 0.45%                         |

|                                    |            |  |        |
|------------------------------------|------------|--|--------|
| Financial management fees          | Net assets | ED EUR   | 0.45%  |
|                                    |            | PC EUR   | 0.60%  |
|                                    |            | PD EUR   | 0.60%  |
|                                    |            | RC EUR   | 1.20%  |
|                                    |            | RD EUR   | 1.20%  |
|                                    |            | CC EUR   | 1.10%  |
| Operating costs and other services | Net assets | Applied to all the shares                              | 0.035% |
| Indirect charges                   | N.A        | Applied to all the shares                              | None   |
| Performance fees                   | Net assets | EC EUR, ED EUR, PC EUR, PD EUR, RC EUR, RD EUR, CC EUR | None   |

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

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

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

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

## 17. Outline of the counterparty selection procedure of the Sub-fund Lazard High Yield 2029

The intermediaries used in fixed-income management are selected using a range of evaluation criteria:

- Quality of order execution and negotiated prices;
- Quality of operational service in processing orders;
- Coverage of information when monitoring markets;
- Quality of macroeconomic and financial research.

The fixed-income managers report at least twice a year to the management company's Broker Committee, with an assessment of the services provided by the various brokers and a breakdown of transaction volumes. The Broker Committee approves any updates to the list of authorised brokers.

### **SUB-FUND Lazard Well-Being**

## GENERAL FEATURES OF THE SUB-FUND LAZARD WELL-BEING

### 1. Features of the Sub-fund Lazard Well-Being

| Characteristics of shares                              |   |
|--|---|
| Share PC EUR   | FR001400GLK2  |
| Share PVC EUR  | FR001400GLL0  |
| Share RVC EUR  | FR001400GLM8  |
| Share EC EUR   | FR001400GLN6  |
| Nature of the rights attached to the Sub-fund's shares | Each shareholder has an ownership right in and to the assets of the Sub-fund in proportion to the number of shares owned.   |
| Voting rights attached to the Sub-fund's shares        | Each shareholder is entitled to one vote for each share held.   |
| Form of shares   | Bearer or administered registered at the unitholder's discretion.<br>The Sub-fund is listed with Euroclear France.  |
| Fractional or whole shares                             | The Sub-fund's shares may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the shares).                                     |
| Financial year end                                     | Last valuation day in September.  |
| First financial year end                               | Last valuation day in September 2024.   |
| Taxation   | The Sub-fund is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. |

### OTHER SPECIFICATIONS OF THE SUB-FUND LAZARD WELL-BEING

|                      |   |  |
|----------------------|---|--|
| Fund of fund         | None  |  |
| Classification       | International equities  |  |
| Investment objective | Share PC EUR,<br>Share PVC EUR,<br>Share RVC EUR,<br>Share EC EUR | The investment objective is to achieve over the recommended investment horizon of 5 years, a return (net of charges) above the following benchmark: Stoxx Europe 600. The benchmark is expressed in EUR. Nets dividends or coupons are reinvested. |
| Benchmark indicator  | Share PC EUR,<br>Share PVC EUR,<br>Share RVC EUR,<br>Share EC EUR | Stoxx Europe 600<br>The Stoxx Europe 600 index represents European large capitalisations. Data is available on the website: <a href="http://www.stoxx.com">www.stoxx.com</a><br>Bloomberg code: SXXR Index   |

### 1. Strategies used of the Sub-fund Lazard Well-Being

The strategy implemented in the sub-fund aims to select companies offering strong potential for long-term performance and value creation based on the management company's analysis. These companies are selected from a universe of European securities considered to be "wellness" stocks. We define wellness, or well-being, as the satisfaction of physical, mental and social needs. The concept of well-being therefore goes far beyond health, encompassing material comfort, mental health, realising one's potential and satisfying one's desires and ambitions. We will therefore be focusing on stocks that, within their business sectors, meet this definition, maintain a strong relationship with consumers and contribute to improving their quality of life.

The portfolio is constructed by selecting mainly (between 30 and 50) stocks traded on the markets of the European Union, Norway, Great Britain and Switzerland, or having their registered offices in the European Union, Norway, Great Britain or Switzerland.

At least 90% of the portfolio's net assets are invested in equities. No more than 10% may be invested on markets outside the European Union, Norway, Great Britain or Switzerland or having their registered offices outside the European Union, Norway, Great Britain or Switzerland. No more than 10% of net assets may be invested in companies having market caps of less than 1 billion euros at the time of purchase. The Lazard Well-Being portfolio is constructed by selecting securities that are 90% located in the thematic investment universe that we define as "Well-Being", defined below.

#### Definition of the investment universe:

The investment universe is defined on the basis of the benchmark index (Stoxx Europe, made up of 600 stocks), from which securities are selected from the following 18 thematic sectors.

Our definition of "Well-Being": Chemicals, Agri-food, Travel and Leisure, Construction, Personal Goods, Transport, Personal Care, Medical Equipment and Services, IT Equipment, Pharmaceuticals and Biotechnology, Finance and Credit Services, Property Development and Equipment, Industrial Materials, Retail, Automotive, Telecom Operators, Leisure Goods, Healthcare Providers.

#### Non-financial analysis:

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR). The ESG rating of the portfolio will be higher than the average ESG rating of the thematic investment universe described above.

Non-financial analysis is described in more detail in the following section.

## **2. Assets (excluding embedded derivatives) of the Sub-fund Lazard Well-Being**

The Sub-fund's portfolio comprises:

Equities: Minimum 90% of the net assets.

The portfolio is constructed by selecting stocks (between 30 and 50) traded on the markets of the European Union, Norway, the United Kingdom and Switzerland, or having their registered office in the European Union, Norway, the United Kingdom or Switzerland.

At least 90% of the portfolio's net assets are invested in equities. No more than 10% may be invested on markets outside the European Union, Norway, Great Britain or Switzerland or having their registered offices outside the European Union, Norway, Great Britain or Switzerland. No more than 10% of net assets may be invested in companies having market caps of less than 1 billion euros at the time of purchase.

The portfolio is constructed by selecting stocks that are 90% located in the thematic universe that we define as

“Well-Being” (Sectors listed in the “Strategies used” section of the prospectus).

#### Negotiable debt securities and money-market instruments:

French and foreign negotiable debt securities (mainly French Treasury bills and BTAN medium-term treasury notes) up to a maximum of 10% of net assets.

#### UCIs:

The Sub-fund may invest up to 10% of its assets in units or shares of European UCITS or UCIs meeting the four criteria defined in article R.214-13 of the French Monetary and Financial Code.

These UCIs may be managed by the management company.

### **3. Derivatives of the Sub-fund Lazard Well-Being**

None

### **4. Securities with embedded derivatives of the Sub-fund Lazard Well-Being**

### **5. Deposits of the Sub-fund Lazard Well-Being**

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

### **6. Cash borrowings of the Sub-fund Lazard Well-Being**

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

### **7. Temporary purchases and sales of securities of the Sub-fund Lazard Well-Being**

None

### **8. Information on financial guarantees of the Sub-fund Lazard Well-Being**

None

### **9. Risk profile of the Sub-fund Lazard Well-Being**

#### Disclaimer

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

- **Risk of capital loss**

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

- **Risk related to discretionary management**

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

- **Equity risk**

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

- **Foreign exchange risk**

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

- **Liquidity risk**

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

- **Sustainability risk**

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

- **ESG investment risk and methodological limitations**

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

## 10. Guarantee or protection of the Sub-fund Lazard Well-Being

None



## 11. Eligible subscribers and typical investor profile of the Sub-fund Lazard Well-Being

Any subscriber seeking exposure to international equity risk.

The Sub-fund may be used with life insurance and savings policies.  
This sub-fund is PEA-eligible.

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

### Information on Russian and Belarusian investors

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

### Information on US investors:

The Sub-fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

### FATCA:

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the Sub-fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

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

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

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

## 12. Allocation of distributable income of the Sub-fund Lazard Well-Being

Distributable income consists of:

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

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

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

|  |  |
|--|--|
| Share                                  |  |
| PC EUR , PVC EUR ,<br>RVC EUR , EC EUR | All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law |

### 13. Frequency of distribution of the Sub-fund Lazard Well-Being

None. Accumulation fund.

### 14. Characteristics of the shares (base currency, division of shares, etc.) of the Sub-fund Lazard Well-Being

|                                  |                |
|----------------------------------|----------------|
| Share                            |                |
| PC EUR, PVC EUR, RVC EUR, EC EUR | EUR            |
| Share                            | Division       |
| PC EUR, PVC EUR, RVC EUR, EC EUR | In thousandths |

### 15. Terms and conditions of subscription and redemption of the Sub-fund Lazard Well-Being

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

#### **Date and frequency of NAV calculation**

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

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

Where and how to find out the net asset value: the net asset value is published Daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

#### **Address of the institutions designated to receive subscription and redemption orders**

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

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

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

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

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

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

Orders are executed as indicated in the table below

| Business day   | Day on which NAV is set (d)       | The business day following the valuation day (D+1) | Two business days following the valuation day (D+2) | Two business days following the valuation day (D+2) |
|--|-----------------------------------|--|---|---|
| Daily order reception and Daily centralisation of redemption orders before 12:00 p.m. (Paris time) | Order executed by the latest on d | Publication of the net asset value                 | Settlement of subscription                          | Settlement of redemptions                           |

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

### **Redemption gate mechanism:**

The management company may implement a gate mechanism to spread investors' redemption requests of the Sub-fund over several net asset values if they exceed a set threshold, when exceptional circumstances so require and if the interests of investors or the public so require.

#### Description of the mechanism:

The management company may decide not to execute all redemptions at the same net asset value, when the objectively predetermined threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency of calculation of the net asset value of the Sub-fund, the Sub-fund management strategy and the liquidity of the assets in the portfolio.

For the Sub-fund, the cap on redemptions may be applied by the management company when the threshold of 10% of net assets is reached.

As the sub-fund has several share categories, the trigger level will be the same for all share categories of the sub-fund. This threshold of 10% applies to centralised redemptions for the whole of the UCI's assets and not specifically to the share categories of the sub-fund.

The gate trigger level is the ratio between:

- the difference recorded, on the same centralisation date, between the number of shares of the sub-fund for which redemption is requested or the total amount of these redemptions, and the number of shares of the sub-fund for which subscription is requested or the total amount of these subscriptions; and
- the net assets of the sub-fund or the total number of shares in the sub-fund.

Where redemption requests exceed the gate trigger threshold, the Sub-fund may, however, decide to honour redemption requests in excess of the threshold, and thus partially or fully execute any orders that might be blocked.

For example, if total redemption requests of shares represent 20% of net assets of the Sub-fund while the trigger threshold is set at 10% of net assets, the Sub-fund may decide to honour redemption requests up to 16% of net assets (and thus execute 80% of redemption requests).

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 1 month.

#### Procedures for informing unitholders:

In the event the redemption gate is activated, investors of the Sub-fund will be informed by any means from the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

Investors of the Sub-fund whose redemption orders have not been executed will be informed specifically as soon as possible.

Processing of unexecuted orders:

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for holders of the Sub-fund who have requested a redemption at the same net asset value. Redemption orders so deferred will not have priority over subsequent redemption requests. Redemption orders that are not executed and automatically deferred may not be revoked by the holders of the Sub-fund.

Exemption from the gate mechanism:

Subscriptions and redemptions for the same number of shares, on the basis of the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to gates. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

## 16. Fees and expenses of the Sub-fund Lazard Well-Being

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

| Charges payable by the investor during subscription and redemption | Basis                  | Share                            | Rate (maximum incl. taxes) |
|--|------------------------|----------------------------------|----------------------------|
| Subscription fees not retained by the Sub-fund                     | NAV x number of shares | PC EUR, PVC EUR, RVC EUR, EC EUR | 2.0%                       |
| Subscription fees retained by the Sub-fund                         | NAV x number of shares | PC EUR, PVC EUR, RVC EUR, EC EUR | 0.0%                       |
| Redemption fees not retained by the Sub-fund                       | NAV x number of shares | PC EUR, PVC EUR, RVC EUR, EC EUR | 0.0%                       |
| Redemption fees retained by the Sub-fund                           | NAV x number of shares | PC EUR, PVC EUR, RVC EUR, EC EUR | 0.0%                       |

| Expenses charged to the Sub-fund   | Basis      | Share                     | Rate (maximum incl. taxes) |
|------------------------------------|------------|---------------------------|----------------------------|
| Financial management fees          | Net assets | PC EUR                    | 1.10%                      |
|                                    |            | PVC EUR                   | 0.80%                      |
|                                    |            | RVC EUR                   | 1.60%                      |
|                                    |            | EC EUR                    | 0.50%                      |
| Operating costs and other services | Net assets | Applied to all the shares | 0.035%                     |
| Indirect charges                   | N.A        | Applied to all the shares | None                       |
|                                    |            | PC EUR, EC EUR            | None                       |

|                  |            |                  |  |
|------------------|------------|------------------|--|
| Performance fees | Net assets | PVC EUR, RVC EUR |  |
|------------------|------------|------------------|--|

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

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

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

#### **Calculation method**

The calculation of the amount of the performance fee is based on a comparison between the performance of each share of the Sub-fund and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual Fund. The outperformance generated by the Sub-fund's share on a given date is defined as the positive difference between the assets of the Fund's 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 periodAs stated in the ESMA guidelines on performance fees, the reference period is "the time horizon over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset." This period is set at 5 years. This means that after 5 consecutive years without crystallisation, uncompensated underperformances prior to five years will no longer be taken into account in the calculation of the performance fee.

#### **Observation period**

The first observation period will start with a period of twelve months starting on 01/10/2023. At the end of each financial year, one of the following two cases may occur:

- The share of the Sub-fund 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 share of the Sub-fund outperformed over the observation period. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

#### **Provisioning**

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

#### **Crystallisation**

The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months. The first crystallisation period will end on the last day of the financial year ending on 30/09/2024.

The performance fee is deducted even in the event of a negative performance of the Sub-fund.

#### ILLUSTRATION: GENERAL CASE WITHOUT CHARGE WHEN PERFORMANCE IS NEGATIVE

|   | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|--------|--------|--------|--------|--------|
| Performance of the shares of the Sub-fund | 10%    | -4%    | -7%    | 6%     | 3%     |

|   |  |  |  |   |  |
|---|--|--|--|---|--|
| Performance of reference indicator  | 5%   | -5%  | -3%  | 4%  | 0%   |
| Outperformance/ Underperformance  | 5%   | 1%   | -4%  | 2%  | 3%   |
| Cumulative performance of the Sub-fund over the observation period            | 10%  | -4%  | -7%  | -1%   | 2%   |
| Cumulative performance of the reference indicator over the observation period | 5%   | -5%  | -3%  | 1%  | 1%   |
| Cumulative outperformance/ underperformance over the observation period       | 5%   | 1%   | -4%  | -2%   | 1%   |
| Commission charged?   | Yes  | Yes  | No, because the Sub-fund underperformed the reference indicator  | No, because the Sub-fund has underperformed over the entire current observation period, which began in year 3 | Yes  |
| Start of new observation period?  | Yes, a new observation period begins in year 2 | Yes, a new observation period begins in year 3 | No, the observation period is extended to include years 3 and 4* | No, the observation period is extended to include years 3, 4 and 5  | Yes, a new observation period begins in year 6 |

Note: To make the example easier to understand, we have indicated here the performance of the Sub-fund and the reference indicator in percentages. In practice, the outperformance/underperformance will be measured in amount, by the difference between the net assets of the Sub-fund and those of a notional fund as described in the methodology above. The performance fee may be capped in accordance with the provisions of the prospectus. \* From this year on, the Sub-fund must offset, over the next five years, this underperformance, as well as the underperformances that already had to be made up before further charges are made.

**ILLUSTRATION: TREATMENT OF PERFORMANCES NOT OFFSET BEYOND FIVE YEARS – EXAMPLE:**

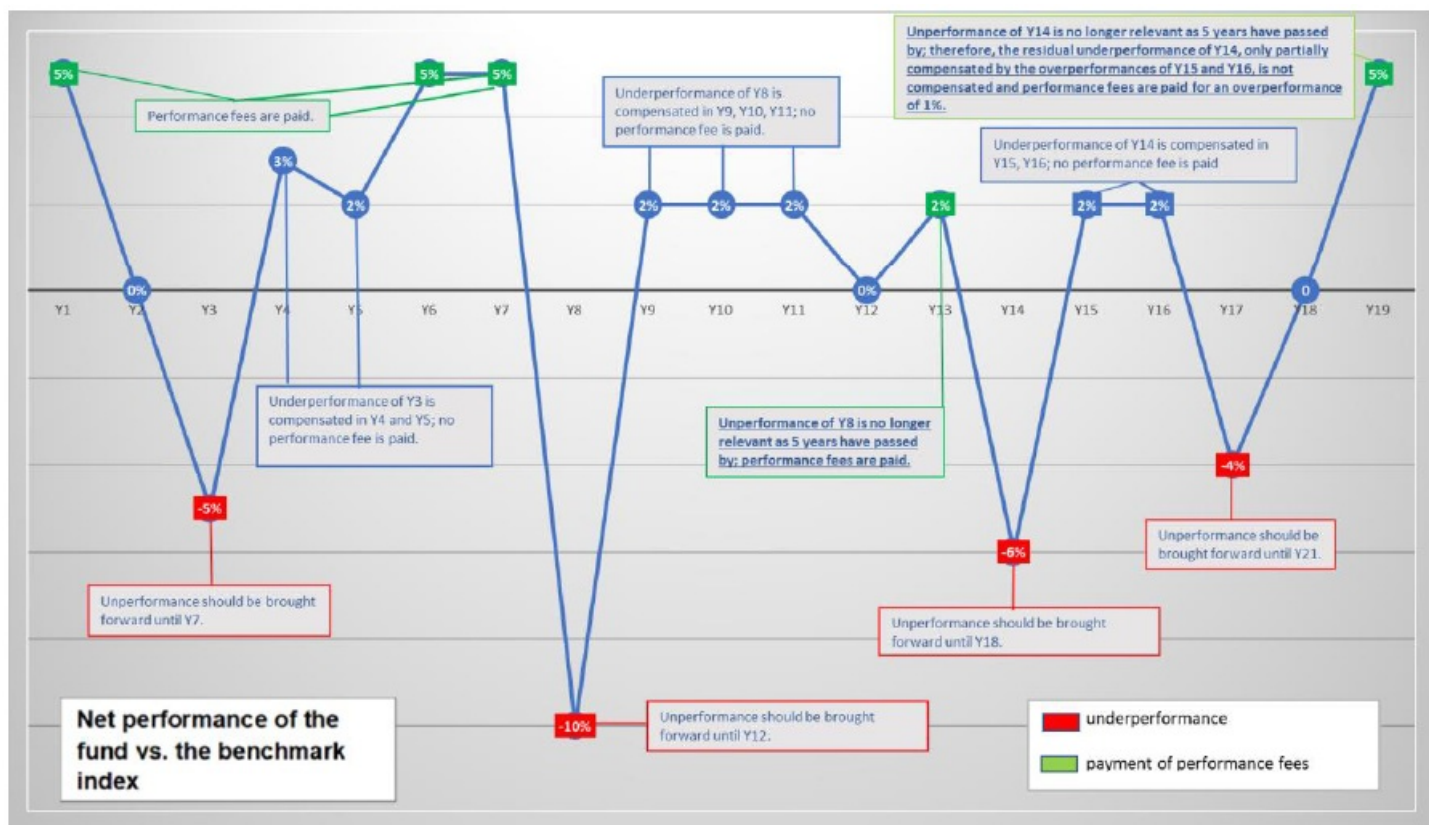
| Year (Closing data) | Yield of the asset valued in quantity | Yield of the benchmark asset in quantity | Net yield (Comparison between the Subfund's valued assets and the Benchmark value, as described below) | Underperformance to be offset the following year | Performance fees? | Comments |
|---------------------|---------------------------------------|--|--|--|-------------------|----------|
|---------------------|---------------------------------------|--|--|--|-------------------|----------|

|         |     |    |   |                 |     |   |
|---------|-----|----|---|-----------------|-----|---|
| Year 1  | 10  | 5  | Outperformance:<br>+5<br>Calculation : 10 - 5     | -               | Yes | (5 X 20%)   |
| Year 2  | 5   | 5  | Yield net: 0<br>Calculation : 5 - 5               | -               | No  |   |
| Year 3  | 3   | 8  | Underperformance<br>: -5<br>Calculation : 3 - 8   | -5              | No  | The underperformance must be moved forward until year 7.  |
| Year 4  | 4   | 1  | Outperformance:<br>+3<br>Calculation : 4 - 1      | -2<br>(-5 + 3)  | No  |   |
| Year 5  | 2   | 0  | Outperformance:<br>+2<br>Calculation : 2 - 0      | 0<br>(-2 + 2)   | No  | Underperformance of year 3 offset                         |
| Year 6  | -1  | -6 | Outperformance:<br>+5<br>Calculation: -1 - (-6)   | -               | Yes | (5 X 20%)   |
| Year 7  | 4   | -1 | Outperformance:<br>+5<br>Calculation: 4 - (-1)    | -               | Yes | (5 X 20%)   |
| Year 8  | -10 | 0  | Underperformance<br>: -10<br>Calculation: -10 - 0 | -10             | No  | The underperformance must be moved forward until year 12. |
| Year 9  | -1  | -3 | Outperformance:<br>+2<br>Calculation: -1 - (-3)   | -8<br>(-10 + 2) | No  |   |
| Year 10 | -5  | -7 | Outperformance:<br>+2<br>Calculation: -5 - (-7)   | -6<br>(-8 + 2)  | No  |   |
| Year 11 | 0   | -2 | Outperformance:<br>+2<br>Calculation: 0 - (-2)    | -4<br>(-6 + 2)  | No  |   |

|         |   |   |   |                 |     |   |
|---------|---|---|---|-----------------|-----|---|
| Year 12 | 1 | 1 | Yield net: +0<br>Calculation: 1 - 1           | -4              | No  | The underperformance of year 12 that must be moved forward to the following year (year 13) is 0 (and not -4), given that the residual underperformance from year 8, which has not yet been offset (-4), is no longer relevant, as a five-year period has past (the underperformance of year 8 is offset until year 12). |
| Year 13 | 4 | 2 | Outperformance:<br>+2<br>Calculation: 4 - 2   | -               | Yes | (2 X 20%)   |
| Year 14 | 1 | 7 | Underperformance:<br>-6<br>Calculation: 1 - 7 | -6              | No  | The underperformance must be moved forward until year 18.   |
| Year 15 | 6 | 4 | Outperformance:<br>+2<br>Calculation: 6 - 4   | -4<br>(-6 + 2)  | No  |   |
| Year 16 | 5 | 3 | Outperformance:<br>+2<br>Calculation: 5 - 3   | -2<br>(-4 + 2)  | No  |   |
| Year 17 | 1 | 5 | Underperformance:<br>-4<br>Calculation: 1 - 5 | -6<br>(-2 + -4) | No  | The underperformance must be moved forward until year 21.   |



|         |   |   |   |               |     |   |
|---------|---|---|---|---------------|-----|---|
| Year 18 | 3 | 3 | Yield net: 0<br>Calculation: 3 - 3          | -4            | No  | The underperformance of year 18 that must be advanced to the following year (year 19) is 4 (and not -6), given the residual underperformance from year 14, which has not yet been offset (-2), is no longer relevant, as a five-year period has passed (the underperformance of year 14 is offset until year 18). |
| Year 19 | 7 | 2 | Outperformance:<br>+5<br>Calculation: 7 - 2 | 1<br>(-4 + 5) | Yes | Underperformance of year 18 offset (1 X 20%)  |



The above example is provided purely for illustration and in no way constitutes a projection of the Fund’s future performance.

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

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

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

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

## 17. Outline of the counterparty selection procedure of the Sub-fund Lazard Well-Being

### SUB-FUND Lazard Green Capital

#### GENERAL FEATURES OF THE SUB-FUND LAZARD GREEN CAPITAL

### 1. Features of the Sub-fund Lazard Green Capital

| Characteristics of shares                              |   |
|--|---|
| Share EC EUR   | FR001400M857  |
| Share PVC EUR  | FR001400M865  |
| Share PC EUR   | FR001400M873  |
| Share RC EUR   | FR001400M881  |
| Nature of the rights attached to the Sub-fund's shares | Each shareholder has an ownership right in and to the assets of the Sub-fund in proportion to the number of shares owned.   |
| Voting rights attached to the Sub-fund's shares        | Each shareholder is entitled to one vote for each share held.   |
| Form of shares   | Bearer or administered registered at the unitholder's discretion. The Sub-fund is listed with Euroclear France.   |
| Fractional or whole shares                             | The Sub-fund's shares may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the shares).                                     |
| Financial year end                                     | Last valuation day in September.  |
| First financial year end                               | Last valuation day in September 2024.   |
| Taxation   | The Sub-fund is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. |

## **OTHER SPECIFICATIONS OF THE SUB-FUND LAZARD GREEN CAPITAL**

|                      |  |  |
|----------------------|--|--|
| Fund of fund         | None   |  |
| Classification       | International equities   |  |
| Investment objective | Share EC EUR,<br>Share PVC EUR,<br>Share PC EUR,<br>Share RC EUR | The investment objective is to achieve over the recommended investment horizon of 5 years, a return (net of charges) above the following benchmark: MSCI World All Countries. The benchmark is expressed in EUR. Nets dividends or coupons are reinvested.               |
| Benchmark indicator  | Share EC EUR,<br>Share PVC EUR,<br>Share PC EUR,<br>Share RC EUR | MSCI World All Countries<br>The MSCI World All Countries index represents the world's largest capitalisations in developed and developing countries.<br>Data is available on the website: <a href="http://www.msci.com">www.msci.com</a><br>Bloomberg code: NDEEWN Index |

At the date of this prospectus, the administrator of the benchmark index, [MSCI Limited], is on ESMA's register of benchmarks administrators. Additional information on the benchmark index can be found on the administrator's website at [<https://www.msci.com>]. Upon later updates of the fund prospectus, the management company will ensure that the link is still valid.

### **1. Strategies used of the Sub-fund Lazard Green Capital**

The investment objective is, over the recommended five-year investment horizon, to outperform the following simple benchmark: the MSCI World All Countries. The benchmark is expressed in EUR. Net dividends or coupons are reinvested.

The Subfund's investment policy aims to select companies that, according to the management company, offer solutions having a favourable on the environment and are closely aligned with the European Taxonomy.

The Subfund managers ensure that the companies selected do not compromise other environmental or social criteria and that they ensure principles of good governance (ESG). The Subfund pursues an environmental objective as defined by Article 9 Regulation (EU) 2019/2088 (SFDR).

Starting with the universe of companies covered by the extra-financial data provider MSCI ESG Manager:

1. We exclude companies that are not sustainable, as defined by SFDR and based on the Lazard Frères Gestion methodology.
2. We select only those companies having a market capitalisation greater than 2 billion dollars, in order to prevent any market cap bias. This constitutes our Starting Universe.
3. We apply a Taxonomy filter. A company passes this filter if it meets at least one of these conditions:
  - a. An alignment of revenues to the Taxonomy greater than, or equal to, 10%;
  - b. An alignment of capex to the Taxonomy greater than, or equal to, 10%;
  - c. An alignment of opex to the Taxonomy greater than, or equal to, 10%.

This constitutes our Investment Universe.

We pledge to maintain an exclusion rate of the Investment Universe vs. the Starting Universe of at least 20%.

More than 90% of the portfolio is covered by extra-financial research.

At least 15% of the portfolio's net assets are invested in companies whose alignment with the Taxonomy is greater than, or equal to, 50%.

At least 90% of the portfolio's net assets are invested companies having a market capitalisation greater than 2 billion euros. No more than 10% of net assets are invested in companies having a market capitalisation of less than 2 billion euros.

#### The SFDR sustainable investment methodology as defined by Lazard Frères Gestion:

A company is considered to be a sustainable investment if it makes at least one substantial contribution, if it does not violate the "Do Not Significantly Harm" principle on each of the 14 principal adverse impacts (PAI) and if it complies with principles of good governance.

#### Alignment with the European Taxonomy:

Data for aligning with the Taxonomy are published by the companies. If not, they may be estimated by our data provider, MSCI ESG Manager. On the basis of these data, we assess and compare the progress companies have made in moving towards the transition to green activities. The indicator is a percentage of alignment with the Taxonomy.

Up to 100% of the fund's net assets may be exposed to currency risk.

In managing its cash, the manager may invest up to 10% of the fund's net assets in debt securities and money-market instruments, or in shares or units of mutual funds governed by French or foreign law and/or alternative investment funds governed by French or foreign law complying with the four criteria of Article R214 13 of the French Monetary and Financial Code (including funds managed by the management company). The investment is made solely in funds that themselves invest less than 10% of their assets in other funds. All the funds may be managed by the management company.

## Integration of ESG criteria:

100% of portfolio companies are subject to an internal ESG score based on data provided by our ESG partners (extra-financial research agencies), companies' annual reports and sustainability reports, and direct interactions with them.

This note is based on quantitative indicators (e.g., CO2 intensity, personnel turnover, board independence, etc.) and qualitative ones (e.g., the existence and solidity of an environmental policy, the existence of an equal opportunity policy, a management remuneration policy, etc.).

The analyst-manager assesses these data for each company in both absolute and relative terms by comparing them to companies in the same sector and the same geographical region.

Each E, S and G pillar is scored 1 to 5 (with 5 being the top score), based on at least 10 key indicators per pillar.

### 1) Environment pillar:

The analyst-managers:

- Assess each component of this pillar: Emissions, Energy, Water, Waste and, Biodiversity, based on Lazard Frères Gestion' materiality table;
- Analyse the severity of controversies where applicable;
- Factors into their evaluations the absolute and relative scores of our external ESG partners.

Based on their fundamental knowledge of the company and ESG indicators that are material for their sector, they score the E pillar.

### 2) Social pillar:

The analyst-managers:

- Assess each component of this pillar: Human Resources Gender Parity, Healthcare and Security, Relation with External Third Parties, based on Lazard Frères Gestion table of materiality;
- Analyse the severity of controversies where applicable;
- Factors into their evaluations the absolute and relative scores of our external ESG partners.

Based on their fundamental knowledge of the company and ESG indicators that are material for their sector, they score the S pillar.

### 3) Governance pillar:

The analyst-managers:

- Evaluate each component of this pillar: Shareholders, Board Independence, Diversity, Entrenchment, Multi-representation, Remuneration, based on Lazard Frères Gestion table of materiality;
- Analyse the severity of controversies where applicable;
- Factors into their evaluations the absolute and relative scores of our external ESG partners.

Based on their fundamental knowledge of the company and ESG indicators that are material for their sector, they score the G pillar.

The company's global ESG score synthesises the scores of each pillar based on the following weightings: 30% for the environment, 30% for social and 40% for governance.

The ESG scores are integrated directly into the financial valuation model via the beta used in the CAPM (capital asset pricing model) to determine their weighted average cost of capital (WACC).

Based on Lazard Frères Gestion's own methodology, the beta of a security is not the beta from the past year but a beta calculated according to an evaluation grille include the following factors:

- Cyclicity of company's activity (30%);
- Compliance with ESG criteria (20%) quantified by the in-house ESG score;
- Financial leverage (20%);
- Product mix (10%);
- Geographical mix (10%);
- Operating leverage (10%).

This scoring system therefore takes into account risks likely to affect the sustainability of companies or "Sustainability Risks", including regulatory risk, physical risk, reputational risk. These risks are assessed by monitoring controversies and companies' principal adverse impacts on sustainability (carbon emissions, energy consumption, water consumption, waste production), i.e., any event or situation in the environmental, social or governance field that, if it occurred, could have a real or potential negative impact on the value of an investment. More precisely, the negative impacts of sustainability risks may affect issuers via a series of mechanisms, including:

- 1) lower revenues,
- 2) higher costs,
- 3) damages or impairments to asset values,
- 4) higher cost of capital,
- 5) fines or regulatory risks.

Because of the nature of sustainability risks and specific issues such as climate change, the probability that sustainability risks will have an impact on the returns of financial products may rise over the longer term. Information on principal adverse impacts on sustainability are published in the fund's periodic SFDR reports on the management company's website.

#### Regulation (EU) 2020/852, the Taxonomy Regulation

The European Union's Taxonomy aims to identify those economic activities regarded as environmentally sustainable. The Taxonomy identifies these activities based on their contribution to six main environmental objectives:

- Mitigation of climate change,
- Adaptation to climate change,
- Sustainable use and protection of water and marine resources, transition towards a circular economy (waste, prevention and recycling),
- Prevention and control of pollution,
- Protection of healthy ecosystems.

Technical screening criteria have been developed for certain economic activities able to make a substantial contribution to one of these objectives: mitigation of climate change, and adaptation to climate change. These criteria are currently awaiting publication in the Official Journal of the European Union. The data presented below therefore reflect only the alignment with these two objectives, on the basis of criteria that had not been published definitively, as they had been submitted to European co-legislators. We will update such information in the event of changes made to these criteria, development of new criteria pertaining to these two objectives, and upon the effective date of criteria pertaining to the four other environmental goals: sustainable use and protection of aquatic and marine resources; the transition to a circular economy; pollution prevention and reduction; and the protection and restoration of biodiversity and ecosystems.

To be considered sustainable, an economic activity must demonstrate that it makes a substantial contribution to one of the six objectives, while not compromising any of the five others (under the "do no significant harm (DNSH)" principle. For a business to be regarded as aligned with the European Taxonomy, it must also comply with human and social rights as guaranteed by international law.

The DNSH principle applies solely to investments underlying the financial product that take into account European Union criteria in environmentally sustainable economic activities.

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

The fund's investment philosophy is the energy transition, based on scenarios such as the IEA's, which has set a goal of carbon neutrality by 2050. With this in mind, we select companies that offer decarbonation solutions to economies (these are chosen on the basis of their alignment with the Taxonomy) and companies that are transforming themselves to reduce their carbon footprint (these are chosen on the basis of validation of their objectives by SBTi and/or their implied temperature).

Portfolio companies belong to at least one of these two categories:

- Companies facilitating the energy transition: companies that further the energy transition through their activity and in this case, are aligned with the Taxonomy;
- Companies in transformation: companies that, while their business activity is not eligible for the Taxonomy, do reduce their emissions, thus helping to reduce global emissions. Companies in transformation are not necessarily aligned with the Taxonomy while falling within the fund's purpose. br>

The fund's minimum percentage of alignment with the European Union Taxonomy is therefore 10%. The alignment of companies' activities is taken into account qualitative in the in-house research process based on data published by the companies themselves, as well as those made available by our ESG data provider.

## 2. Assets (excluding embedded derivatives) of the Sub-fund Lazard Green Capital

The Subfund portfolio is composed of:

Equities: at least 90% of net assets.

The Subfund will be invested in companies with market capitalisations greater than 2 billion euros.

No more than 10% of net assets may be invested in companies with market capitalisations of less than 2 billion euros. The portfolio consists fully of securities from the universe complying with one of the three environmental criteria mentioned in Part 2. Moreover, portfolio securities must be defined as sustainable investment as defined by SFDR based on Lazard Frères Gestion's methodology.

Negotiable debt securities and money-market instruments:

French and foreign negotiable debt securities (mainly French treasury bonds and short-term BTAN French government paper): up to 10% of net assets.

Other mutual funds:

The Subfund may invest up to 10% of its net assets in units or shares of funds governed by French or foreign law meeting the four criteria established by Article R 214-13 of the French Monetary and Financial Code.

These funds may be managed by the management company.

## 3. Derivatives of the Sub-fund Lazard Green Capital

None

## 4. Securities with embedded derivatives of the Sub-fund Lazard Green Capital

None

## 5. Deposits of the Sub-fund Lazard Green Capital

Deposits may be used in managing the Subfund, capped at 10% of its assets.

## 6. Cash borrowings of the Sub-fund Lazard Green Capital

The Subfund may borrow cash for its operations, capped at 10% of its net assets, in order to address a one-off need for cash.

## 7. Temporary purchases and sales of securities of the Sub-fund Lazard Green Capital

None

## 8. Information on financial guarantees of the Sub-fund Lazard Green Capital

None

## 9. Risk profile of the Sub-fund Lazard Green Capital

### Disclaimer

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

### • Risk of capital loss

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

### • Risk related to discretionary management

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

### • Equity risk

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

### • Foreign exchange risk

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



- **Liquidity risk**

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

- **Sustainability risk**

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

- **ESG investment risk and methodological limitations**

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

## 10. Guarantee or protection of the Sub-fund Lazard Green Capital

None

## 11. Eligible subscribers and typical investor profile of the Sub-fund Lazard Green Capital

All investors seeking exposure to international equities.

It may serve as a vehicle in life insurance and capitalisation contracts.

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

### **Information on Russian and Belarusian investors**

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

### **Information on US investors:**

The Sub-fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

**FATCA:**

Pursuant to the provisions of the Foreign Account Tax Compliance Act (“FATCA”) applicable as of July 1st, 2014, if the Sub-fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions (“foreign financial institutions”) agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

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

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

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

**12. Allocation of distributable income of the Sub-fund Lazard Green Capital**

Distributable income consists of:

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

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

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

|                                    |  |
|------------------------------------|--|
| Share                              |  |
| EC EUR , PVC EUR , PC EUR , RC EUR | All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law |

**13. Frequency of distribution of the Sub-fund Lazard Green Capital**

None. Accumulation fund.

**14. Characteristics of the shares (base currency, division of shares, etc.) of the Sub-fund Lazard Green Capital**

|       |  |
|-------|--|
| Share |  |
|-------|--|

|                                 |                    |
|---------------------------------|--------------------|
| EC EUR, PVC EUR, PC EUR, RC EUR | EUR                |
| Share                           | Division           |
| EC EUR, PVC EUR, PC EUR, RC EUR | In ten-thousandths |

## 15. Terms and conditions of subscription and redemption of the Sub-fund Lazard Green Capital

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

### Date and frequency of NAV calculation

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

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

Where and how to find out the net asset value: the net asset value is published Daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

### Address of the institutions designated to receive subscription and redemption orders

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

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

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

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

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

Orders are executed as indicated in the table below

| Business day  | Day on which NAV is set (d)       | The business day following the valuation day (D+1) | Two business days following the valuation day (D+2) | Two business days following the valuation day (D+2) |
|---|-----------------------------------|--|---|---|
| Daily order reception and Daily centralisation of redemption orders before (Paris time) | Order executed by the latest on d | Publication of the net asset value                 | Settlement of subscription                          | Settlement of redemptions                           |

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

### Redemption gate mechanism:

The management company may implement a gate mechanism to spread investors' redemption requests of the Sub-fund over several net asset values if they exceed a set threshold, when exceptional circumstances so require and if the interests of investors or the public so require.

### Description of the mechanism:

The management company may decide not to execute all redemptions at the same net asset value, when the objectively predetermined threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency of calculation of the net asset value of the Sub-fund, the

Sub-fund management strategy and the liquidity of the assets in the portfolio.

For the Sub-fund, the cap on redemptions may be applied by the management company when the threshold of 10% of net assets is reached.

As the sub-fund has several share categories, the trigger level will be the same for all share categories of the sub-fund. This threshold of 10% applies to centralised redemptions for the whole of the UCI's assets and not specifically to the share categories of the sub-fund.

The gate trigger level is the ratio between:

- the difference recorded, on the same centralisation date, between the number of shares of the sub-fund for which redemption is requested or the total amount of these redemptions, and the number of shares of the sub-fund for which subscription is requested or the total amount of these subscriptions; and
- the net assets of the sub-fund or the total number of shares in the sub-fund.

Where redemption requests exceed the gate trigger threshold, the Sub-fund may, however, decide to honour redemption requests in excess of the threshold, and thus partially or fully execute any orders that might be blocked.

For example, if total redemption requests of shares represent 20% of net assets of the Sub-fund while the trigger threshold is set at 10% of net assets, the Sub-fund may decide to honour redemption requests up to 16% of net assets (and thus execute 80% of redemption requests).

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 1 month.

#### Procedures for informing unitholders:

In the event the redemption gate is activated, investors of the Sub-fund will be informed by any means from the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

Investors of the Sub-fund whose redemption orders have not been executed will be informed specifically as soon as possible.

#### Processing of unexecuted orders:

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for holders of the Sub-fund who have requested a redemption at the same net asset value.

Redemption orders so deferred will not have priority over subsequent redemption requests. Redemption orders that are not executed and automatically deferred may not be revoked by the holders of the Sub-fund.

#### Exemption from the gate mechanism:

Subscriptions and redemptions for the same number of shares, on the basis of the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to gates. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

## 16. Fees and expenses of the Sub-fund Lazard Green Capital

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

| Charges payable by the investor during subscription and redemption | Basis | Share | Rate (maximum incl. taxes) |
|--|-------|-------|----------------------------|
|--|-------|-------|----------------------------|

|  |                        |                                 |      |
|--|------------------------|---------------------------------|------|
| Subscription fees not retained by the Sub-fund | NAV x number of shares | EC EUR, PVC EUR, PC EUR, RC EUR | 2.0% |
| Subscription fees retained by the Sub-fund     | NAV x number of shares | EC EUR, PVC EUR, PC EUR, RC EUR | 0.0% |
| Redemption fees not retained by the Sub-fund   | NAV x number of shares | EC EUR, PVC EUR, PC EUR, RC EUR | 0.0% |
| Redemption fees retained by the Sub-fund       | NAV x number of shares | EC EUR, PVC EUR, PC EUR, RC EUR | 0.0% |

| Expenses charged to the Sub-fund   | Basis      | Share                     | Rate (maximum incl. taxes)  |
|------------------------------------|------------|---------------------------|---|
| Financial management fees          | Net assets | EC EUR                    | 0.50%   |
|                                    |            | PVC EUR                   | 0.80%   |
|                                    |            | PC EUR                    | 1.10%   |
|                                    |            | RC EUR                    | 2.20%   |
| Operating costs and other services | Net assets | Applied to all the shares | 0.035%  |
| Indirect charges                   | N.A        | Applied to all the shares | None  |
| Performance fees                   | Net assets | EC EUR, PC EUR, RC EUR    | None  |
|                                    |            | PVC EUR                   | 15% of the performance above the benchmark (MSCI ACWI net in euro). |

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

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

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

#### **Calculation method**

The calculation of the amount of the performance fee is based on a comparison between the performance of each share of the Sub-fund and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual Fund. The outperformance generated by the Sub-fund's share on a given date is defined as the positive difference between the assets of the Fund's 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 periodAs 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 . At the end of each financial year, one of the following two cases may occur:

- The share of the Sub-fund 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 share of the Sub-fund outperformed over the observation period. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

### Provisioning

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

### Crystallisation

The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months. The first crystallisation period will end on the last day of the financial year ending on 30/09/2024.

The performance fee is deducted even in the event of a negative performance of the Sub-fund.

### ILLUSTRATION: GENERAL CASE WITHOUT CHARGE WHEN PERFORMANCE IS NEGATIVE

|   | Year 1 | Year 2 | Year 3  | Year 4  | Year 5 |
|---|--------|--------|---|---|--------|
| Performance of the shares of the Sub-fund                                     | 10%    | -4%    | -7%   | 6%  | 3%     |
| Performance of reference indicator  | 5%     | -5%    | -3%   | 4%  | 0%     |
| Outperformance/<br>Underperformance   | 5%     | 1%     | -4%   | 2%  | 3%     |
| Cumulative performance of the Sub-fund over the observation period            | 10%    | -4%    | -7%   | -1%   | 2%     |
| Cumulative performance of the reference indicator over the observation period | 5%     | -5%    | -3%   | 1%  | 1%     |
| Cumulative outperformance/<br>underperformance over the observation period    | 5%     | 1%     | -4%   | -2%   | 1%     |
| Commission charged?   | Yes    | Yes    | No, because the Sub-fund underperformed the reference indicator | No, because the Sub-fund has underperformed over the entire current observation period, which began in year 3 | Yes    |

|                                  |  |  |  |  |  |
|----------------------------------|--|--|--|--|--|
| Start of new observation period? | Yes, a new observation period begins in year 2 | Yes, a new observation period begins in year 3 | No, the observation period is extended to include years 3 and 4* | No, the observation period is extended to include years 3, 4 and 5 | Yes, a new observation period begins in year 6 |
|----------------------------------|--|--|--|--|--|

Note: To make the example easier to understand, we have indicated here the performance of the Sub-fund and the reference indicator in percentages. In practice, the outperformance/underperformance will be measured in amount, by the difference between the net assets of the Sub-fund and those of a notional fund as described in the methodology above. The performance fee may be capped in accordance with the provisions of the prospectus. \* From this year on, the Sub-fund must offset, over the next five years, this underperformance, as well as the underperformances that already had to be made up before further charges are made.

#### ILLUSTRATION: TREATMENT OF PERFORMANCES NOT OFFSET BEYOND FIVE YEARS – EXAMPLE:

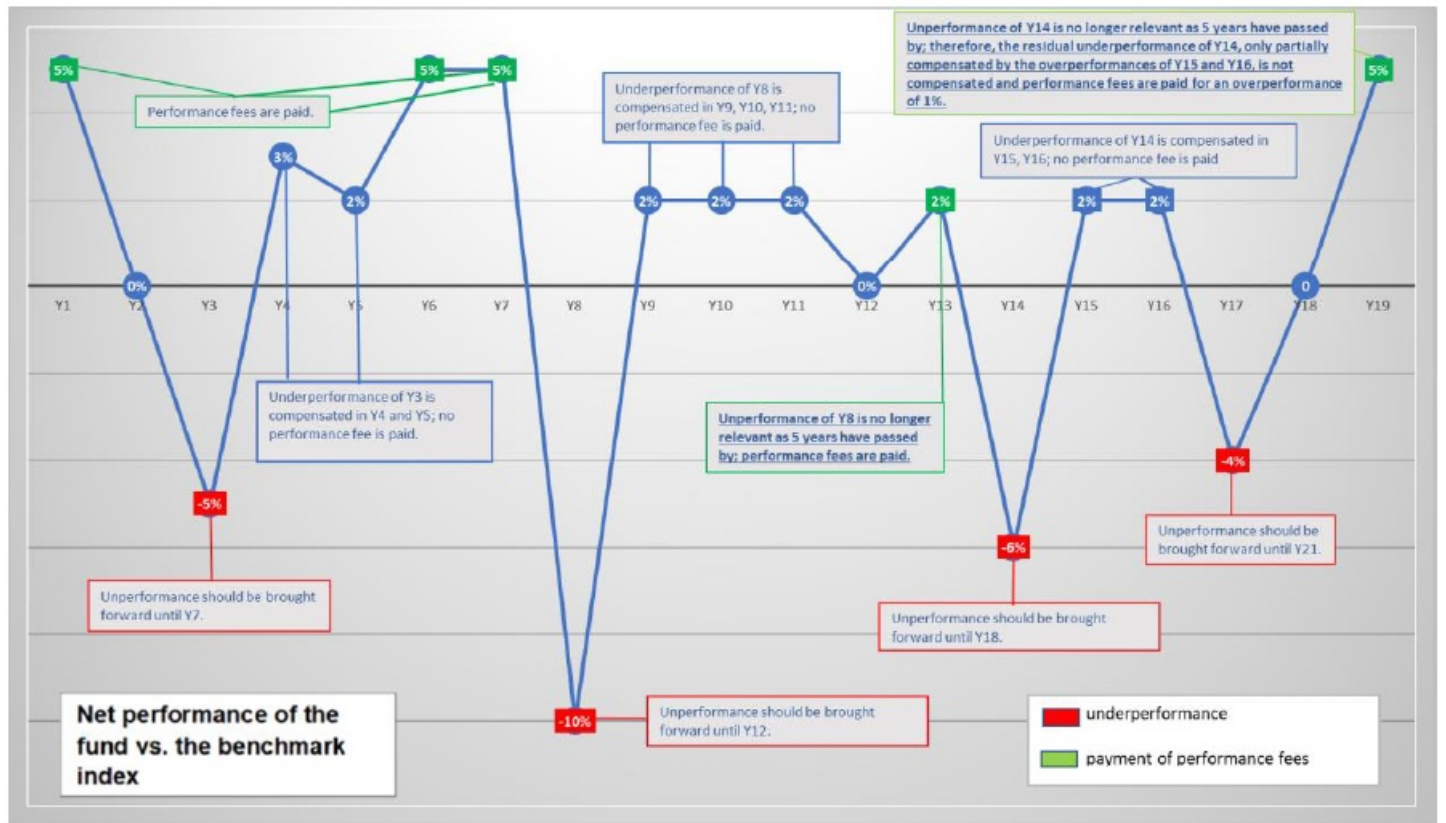
| Year (Closing data) | Yield of the asset valued in quantity | Yield of the benchmark asset in quantity | Net yield (Comparison between the Subfund's valued assets and the Benchmark value, as described below) | Underperformance to be offset the following year | Performance fees? | Comments   |
|---------------------|---------------------------------------|--|--|--|-------------------|--|
| Year 1              | 10                                    | 5  | Outperformance: +5<br>Calculation : 10 - 5   | -  | Yes               | (5 X 20%)  |
| Year 2              | 5                                     | 5  | Yield net: 0<br>Calculation : 5 - 5  | -  | No                |  |
| Year 3              | 3                                     | 8  | Underperformance : -5<br>Calculation : 3 - 8   | -5   | No                | The underperformance must be moved forward until year 7. |
| Year 4              | 4                                     | 1  | Outperformance: +3<br>Calculation : 4 - 1  | -2<br>(-5 + 3)                                   | No                |  |
| Year 5              | 2                                     | 0  | Outperformance: +2<br>Calculation : 2 - 0  | 0<br>(-2 + 2)                                    | No                | Underperformance of year 3 offset                        |
| Year 6              | -1                                    | -6                                       | Outperformance: +5<br>Calculation: -1 - (-6)   | -  | Yes               | (5 X 20%)  |

|         |     |    |  |                 |     |   |
|---------|-----|----|--|-----------------|-----|---|
| Year 7  | 4   | -1 | Outperformance:<br>+5<br>Calculation: 4 - (-1)     | -               | Yes | (5 X 20%)   |
| Year 8  | -10 | 0  | Underperformance:<br>: -10<br>Calculation: -10 - 0 | -10             | No  | The underperformance must be moved forward until year 12.   |
| Year 9  | -1  | -3 | Outperformance:<br>+2<br>Calculation: -1 - (-3)    | -8<br>(-10 + 2) | No  |   |
| Year 10 | -5  | -7 | Outperformance:<br>+2<br>Calculation: -5 - (-7)    | -6<br>(-8 + 2)  | No  |   |
| Year 11 | 0   | -2 | Outperformance:<br>+2<br>Calculation: 0 - (-2)     | -4<br>(-6 + 2)  | No  |   |
| Year 12 | 1   | 1  | Yield net: +0<br>Calculation: 1 - 1                | -4              | No  | The underperformance of year 12 that must be moved forward to the following year (year 13) is 0 (and not -4), given that the residual underperformance from year 8, which has not yet been offset (-4), is no longer relevant, as a five-year period has past (the underperformance of year 8 is offset until year 12). |



|         |   |   |  |                 |     |   |
|---------|---|---|--|-----------------|-----|---|
| Year 13 | 4 | 2 | Outperformance:<br>+2<br>Calculation: 4 - 2    | -               | Yes | (2 X 20%)   |
| Year 14 | 1 | 7 | Underperformance<br>: -6<br>Calculation: 1 - 7 | -6              | No  | The underperformance must be moved forward until year 18.   |
| Year 15 | 6 | 4 | Outperformance:<br>+2<br>Calculation: 6 - 4    | -4<br>(-6 + 2)  | No  |   |
| Year 16 | 5 | 3 | Outperformance:<br>+2<br>Calculation: 5 - 3    | -2<br>(-4 + 2)  | No  |   |
| Year 17 | 1 | 5 | Underperformance<br>: -4<br>Calculation: 1 - 5 | -6<br>(-2 + -4) | No  | The underperformance must be moved forward until year 21.   |
| Year 18 | 3 | 3 | Yield net: 0<br>Calculation: 3 - 3             | -4              | No  | The underperformance of year 18 that must be advanced to the following year (year 19) is 4 (and not -6), given the residual underperformance from year 14, which has not yet been offset (-2), is no longer relevant, as a five-year period has passed (the underperformance of year 14 is offset until year 18). |

|         |   |   |   |               |     |   |
|---------|---|---|---|---------------|-----|---|
| Year 19 | 7 | 2 | Outperformance:<br>+5<br>Calculation: 7 - 2 | 1<br>(-4 + 5) | Yes | Underperformance of<br>year 18<br>offset<br>(1 X 20%) |
|---------|---|---|---|---------------|-----|---|



The above example is provided purely for illustration and in no way constitutes a projection of the Fund's future performance.

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

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

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

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

## 17. Outline of the counterparty selection procedure of the Sub-fund Lazard Green Capital

### SUB-FUND Lazard Credit Opportunities

**1. Features of the Sub-fund Lazard Credit Opportunities**

| Characteristics of shares                              |   |
|--|---|
| Share RC EUR   | FR0010230490  |
| Share PC EUR   | FR0010235507  |
| Share PD EUR   | FR0012156347  |
| Share PVC EUR  | FR0013432143  |
| Share TC EUR   | FR0010235499  |
| Share PVC H-CHF  | FR0014002XI5  |
| Share FC EUR   | FR00140081X3  |
| Share PC USD   | FR001400BBG2  |
| Share PC H-USD   | FR001400BBI8  |
| Share RC H-USD   | FR001400BBJ6  |
| Share RD H-USD   | FR001400BBK4  |
| Share PD H-USD   | FR001400D2C2  |
| Share PVD EUR  | FR001400DIW0  |
| Share RD EUR   | FR001400F1C2  |
| Share PC H-CHF   | FR001400F1B4  |
| Share BC EUR   | FR001400MM38  |
| Share RVC EUR  | FR001400NW92  |
| Nature of the rights attached to the Sub-fund's shares | Each shareholder has an ownership right in and to the assets of the Sub-fund in proportion to the number of shares owned.   |
| Voting rights attached to the Sub-fund's shares        | Each shareholder is entitled to one vote for each share held.   |
| Form of shares   | Bearer or administered registered at the unitholder's discretion.<br>The Sub-fund is listed with Euroclear France.  |
| Fractional or whole shares                             | The Sub-fund's shares may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the shares).                                     |
| Financial year end                                     | Last valuation day in September.  |
| First financial year end                               | Last valuation day in September 2020.   |
| Taxation   | The Sub-fund is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. |

## OTHER SPECIFICATIONS OF THE SUB-FUND LAZARD CREDIT OPPORTUNITIES

|                      |   |   |
|----------------------|---|---|
| Fund of fund         | None  |   |
| Classification       | International bonds and other debt securities   |   |
| Investment objective | Share RC EUR,<br>Share RD EUR   | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: €STR Capitalisé + 1,25%. The benchmark is expressed in EUR.                              |
|                      | Share PC EUR,<br>Share BC EUR   | The investment objective is to outperform the benchmark index: €STR Capitalisé + 2,00%, expressed in euros, net of charges, over the recommended investment period of three years.  |
|                      | Share PD EUR,<br>Share TC EUR   | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: €STR Capitalisé + 2,00%. The benchmark is expressed in EUR.                              |
|                      | Share PVC EUR   | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: €STR Capitalisé +2,40%. The benchmark is expressed in EUR.                               |
|                      | Share PVC H-CHF   | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: SARON +2,40%. The benchmark is expressed in CHF.   |
|                      | Share FC EUR  | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: €STR Capitalisé + 2%. The benchmark is expressed in EUR.                                 |
|                      | Share PC USD,<br>Share PC H-USD,<br>Share PD H-USD  | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: Daily Effective Compounded Federal Funds Rate +2%. The benchmark is expressed in USD.    |
|                      | Share RC H-USD,<br>Share RD H-USD   | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: Daily Effective Compounded Federal Funds Rate +1.25%. The benchmark is expressed in USD. |
|                      | Share PVD EUR   | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: €STR Capitalisé + 2,40%. The benchmark is expressed in EUR.                              |
|                      | Share PC H-CHF  | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: SARON + 2%. The benchmark is expressed in CHF.   |
| Share RVC EUR        | The investment objective is to achieve over the recommended investment horizon of 3 years a return (net of charges) above the following benchmark: €STR Capitalisé +1,80%. The benchmark is expressed in EUR. |   |

|                     |                                   |   |
|---------------------|-----------------------------------|---|
| Benchmark indicator | Share PVC H-CHF                   | <p>SARON +2,40%</p> <p>SARON represents the guaranteed overnight money market interest rate for the Swiss franc (CHF). It is based on transactions and listed prices in the Swiss repo market. SARON is part of an index dataset including all Swiss benchmark rates calculated by SIX. This dataset can be obtained on the SIX website (<a href="https://www.six-group.com">https://www.six-group.com</a>) and through data providers (e.g. SIX, Bloomberg, Refinitiv).</p>  |
|                     | Share PC H-CHF                    | <p>SARON + 2%</p> <p>SARON represents the guaranteed overnight money market interest rate for the Swiss franc (CHF). It is based on transactions and listed prices in the Swiss repo market. SARON is part of an index dataset including all Swiss benchmark rates calculated by SIX. This dataset can be obtained on the SIX website (<a href="https://www.six-group.com">https://www.six-group.com</a>) and through data providers (e.g. SIX, Bloomberg, Refinitiv).</p>  |
|                     | Share RVC EUR                     | <p>€STR Capitalisé +1,80%</p> <p>The capitalised €STR is the main benchmark index of the Eurozone money market. This rate is calculated based on the volume-weighted average of the overnight interbank rates at which the 57 reference banks carry out their transactions. It is established by the European Central Bank on the basis of the “exact number of days/360” and is published by the European Banking Federation. Additional information is available on the website <a href="http://www.banque-france.fr">www.banque-france.fr</a></p>  |
|                     | Share RC EUR,<br>Share RD EUR     | <p>€STR Capitalisé + 1,25%</p> <p>The capitalised €STR is the main benchmark index of the Eurozone money market. This rate is calculated based on the volume-weighted average of the overnight interbank rates at which the 57 reference banks carry out their transactions. It is established by the European Central Bank on the basis of the “exact number of days/360” and is published by the European Banking Federation. Additional information is available on the website <a href="http://www.banque-france.fr">www.banque-france.fr</a></p> |
|                     | Share PVC EUR,<br>Share PVD EUR   | <p>€STR Capitalisé + 2,40%</p> <p>The capitalised €STR is the main benchmark index of the Eurozone money market. This rate is calculated based on the volume-weighted average of the overnight interbank rates at which the 57 reference banks carry out their transactions. It is established by the European Central Bank on the basis of the “exact number of days/360” and is published by the European Banking Federation. Additional information is available on the website <a href="http://www.banque-france.fr">www.banque-france.fr</a></p> |
|                     | Share RC H-USD,<br>Share RD H-USD | <p>Daily Effective Compounded Federal Funds Rate +1.25%</p> <p>The Daily Effective Compounded Federal Funds Rate +1.25% index: this money market rate is a weighted average capitalized rate calculated by the Federal Reserve Bank of New York.</p> <p>Data is available on the website: <a href="https://fred.stlouisfed.org">https://fred.stlouisfed.org</a><br/>Bloomberg code: FDTR Index</p>  |

|                                   |  |  |
|-----------------------------------|--|--|
|                                   | Share PC USD,<br>Share PC H-USD,<br>Share PD H-USD   | Daily Effective Compounded Federal Funds Rate +2%<br>The Daily Effective Compounded Federal Funds Rate +2% index: this money market rate is a weighted average capitalized rate calculated by the Federal Reserve Bank of New York.<br>Data is available on the website: <a href="https://fred.stlouisfed.org">https://fred.stlouisfed.org</a><br>Bloomberg code: FDTR Index   |
|                                   | Share PC EUR,<br>Share PD EUR,<br>Share TC EUR,<br>Share FC EUR,<br>Share BC EUR   | €STR Capitalisé + 2,00%<br>The capitalised €STR is the main benchmark index of the Eurozone money market. This rate is calculated based on the volume-weighted average of the overnight interbank rates at which the 57 reference banks carry out their transactions. It is established by the European Central Bank on the basis of the "exact number of days/360" and is published by the European Banking Federation. Additional information is available on the website <a href="http://www.banque-france.fr">www.banque-france.fr</a> |
| Benchmark ESG investment universe | 50% Eurozone universe provided by our ESG partners, equi-weighted, restricted to the following sectors: Diversified Banks, Insurance, Financial Services General, Retail and Specialized Banks;<br>50% ICE BofA Euro Non-financial Fixed & Floating Rate High Yield Constrained Index.<br>Bloomberg code: HEAE Index |  |

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

## 1. Strategies used of the Sub-fund Lazard Credit Opportunities

The Sub-fund aims to outperform the reference indicator annually for each share, net of expenses, through dynamic management of interest rate risk, credit risk and currency risk and by investing primarily in risky debt issued by governments, companies, financial institutions and financial structures that offer a yield premium in relation to sovereign debt.

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

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

| Interest rate risk (including derivatives) | Investment |     | Exposure |     |
|--|------------|-----|----------|-----|
|  | Min        | Max | Min      | Max |
| Interest rate risk sensitivity range       | -5         | +10 | -5       | +10 |
| Credit risk                                | Investment |     | Exposure |     |

|                                 |               | Min | Max  | Min |      |
|---------------------------------|---------------|-----|------|-----|------|
| Geographical area of the Issuer | Europe        | 20% | 100% | 20% | 100% |
|                                 | Other regions | 0%  | 80%  | 0%  | 80%  |

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

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

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

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

### **Extra-financial criteria**

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR). All ESG information is appended to this prospectus.

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

#### Analysis of investments in directly-held bonds

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

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

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

- 1) lower revenues;
- 2) higher costs;
- 3) damage to or impairment of the value of assets;
- 4) higher cost of capital; and
- 5) fines or regulatory risks.

Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

#### Conditions for reduced disclosure of the inclusion of extra-financial criteria:

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

- 90% of net assets for bonds issued by large caps with their headquarters in "developed" countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;
- 75% of net assets for bonds issued by large caps with their headquarters in "emerging" countries, equities issued by small and mid caps, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by "emerging" countries.

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

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

### **Exclusion criteria**

In order to promote the ecological and societal transition, an exclusion policy is implemented at the portfolio level. The objective is to limit the portfolio's exposure to controversial activities or activities considered to be unsustainable through sector and normative exclusions. Companies which do not comply with any of the ten principles of the United Nations Global Compact and/or are active in any of the controversial or sensitive sectors listed below will be excluded from the portfolio:

#### **1. United Nations Global Compact**

- Companies that seriously or systematically violate one or more of the UN Global Compact principles

#### **2. Controversial or sensitive sectors**

- Tobacco:

- o All companies deriving their revenue from tobacco production
- o All companies deriving 10% or more of their revenue from tobacco wholesale

- Gambling:

- o All companies deriving 10% or more of their total revenue from the ownership or operation of commercial gambling activities

- Armament:

- o Companies active in the field of controversial or unconventional arms
- o Companies deriving more than 10% of their total revenue from conventional arms activities

- Energy:

- o Companies deriving 10% or more of their revenue from thermal coal extraction or from unconventional oil and gas extraction (shale gas, oil sands, Arctic drilling), as well as companies with expansion projects related to these sectors

- o All companies active in the conventional oil and gas extraction sector if their revenues from natural gas or renewable energy sources are less than 40%

- o Companies are excluded if: 10% or more of their production is based on coal or 30% or more of their production is based on oil or gas or 30% or more of their production is based on a nuclear source



o Issuers operating in the construction or maintenance of nuclear power plants outside the European Union

• Mining:

o Mining operations, unless they have an adequate policy to control and limit their negative impact on the environment, living and/or working conditions in mining areas, ecosystems, climate and governance risks

• Palm oil:

o Companies that do not comply with the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO)

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

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

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

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

The “Do No Significant Harm” principle applies only to investments underlying the financial product that take into account the European Union’s criteria for environmentally sustainable economic activities.

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

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

## **2. Assets (excluding embedded derivatives) of the Sub-fund Lazard Credit Opportunities**

The Sub-fund’s portfolio comprises:

### **Equities:**

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

- A maximum of 5% of the net assets in ordinary shares. The Sub-fund will not invest actively in equities but may hold equities if they derive from a debt restructuring, typically following an exchange of shares for debt. The fund

manager will do their best to sell the shares received as soon as possible depending on market conditions with a view to optimising the exit price for the shareholders.

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

- A maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros or any other currency, issued by companies and financial institutions, without any credit restrictions.
- A maximum of 60% of the net assets in bonds and negotiable debt securities denominated in currencies other than the euro and the US dollar.
- A maximum of 100% of the net assets in debt denominated in euros and/or any other currency issued by governments in any geographical location, by any institution and of any rating.
- A maximum of 10% of the net assets in convertible bonds.
- Perpetual subordinated debt up to a maximum of 50% of the net assets, of which a maximum of 30% of the net assets in contingent convertible bonds (CoCos).
- Specific euro-denominated instruments:
  - Securities issued as part of a EMTN programme whose issuer is not the same as the issuer of the underlying security, insofar as the performance of these securities is index-linked to changes in interest rate or credit spread risk. Up to a maximum of 20% of the net assets.

### **UCIs:**

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

These UCIs may be managed by the management company.

## **3. Derivatives of the Sub-fund Lazard Credit Opportunities**

- Types of markets:
  - regulated
  - organised
  - OTC
- The manager intends to seek exposure to:
  - equities
  - interest rates
  - currencies
  - credit
  - other : volatility
- Types of transactions – all transactions must be limited to achieving the investment objective:
  - hedging
  - exposure
  - arbitrage
  - other

- Type of instruments used:

- futures:

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

- options:

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

- swaps:

- equity swaps
- interest rate swaps: transformation of fixed-rate income to variable-rate income and vice versa
- currency swaps
- performance swaps

- currency forwards

- credit derivatives

- other

- Strategy of use of derivatives to achieve the investment objective:

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

#### 4. Securities with embedded derivatives of the Sub-fund Lazard Credit Opportunities

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

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

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

#### 5. Deposits of the Sub-fund Lazard Credit Opportunities

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

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

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

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

None

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

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

## 9. Risk profile of the Sub-fund Lazard Credit Opportunities

### Disclaimer

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

### • Risk of capital loss

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

### • Interest rate risk

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

### • Credit risk

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

### • Foreign exchange risk

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

- **Derivative financial instrument risk**

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

- **Counterparty risk**

This type with one or more counterparties potentially exposes the Sub-fund to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the Sub-fund's net asset value.

- **Liquidity risk**

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

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

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

- **Risk related to overexposure:**

The Sub-fund may use forward financial instruments (derivatives) to generate overexposure and thus bring the Sub-fund's exposure above its net asset value. Depending on the transactions, the impact of a decrease (purchase of exposure) or increase (sale of exposure) in the derivative's underlying instrument may be amplified and thus amplify any decrease in the Sub-fund's net asset value.

- **Equity risk**

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

- **Sustainability risk**

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

- **ESG investment risk and methodological limitations**

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

## 10. Guarantee or protection of the Sub-fund Lazard Credit Opportunities

None

## 11. Eligible subscribers and typical investor profile of the Sub-fund Lazard Credit Opportunities

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

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

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

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

#### **Information on Russian and Belarusian investors**

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

#### **Information on US investors:**

The Sub-fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

#### **FATCA:**

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the Sub-fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

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

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

This Sub-fund may not be suitable for investors planning to withdraw their contributions within 3 years.

## **12. Allocation of distributable income of the Sub-fund Lazard Credit Opportunities**

Distributable income consists of:

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

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

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

| Share  |   |
|--|---|
| RC EUR , PC EUR , PVC EUR , TC EUR , PVC H-CHF , FC EUR , PC USD , PC H-USD , RC H-USD , PC H-CHF , BC EUR , RVC EUR | All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law                                  |
| PD EUR , RD H-USD , PD H-USD , PVD EUR , RD EUR  | Net income is distributed in full and the allocation of net realised capital gains is decided each year by the shareholders' meeting. It may pay interim dividends. |

### 13. Frequency of distribution of the Sub-fund Lazard Credit Opportunities

RC EUR, TC EUR, PC EUR, PVC EUR, RVC EUR, FC EUR, BC EUR, PC USD, PVC H-CHF, PC H-CHF, RC H-USD and PC H-USD shares: none

PD EUR, PVD EUR, RD EUR and PD H-USD shares: the dividend is paid out to holders once a year. Interim dividends may be paid.

For the RD H-USD unit, the net income for year N will be paid partly (i) in the form of an annual distribution within 5 months of year N+1 and (ii) in the form of a quarterly distribution during year N+1 for the part of the net income for year N transferred to "retained earnings".

### 14. Characteristics of the shares (base currency, division of shares, etc.) of the Sub-fund Lazard Credit Opportunities

| Share  |                |
|--|----------------|
| RC EUR, PC EUR, PD EUR, PVC EUR, TC EUR, FC EUR, PVD EUR, RD EUR, BC EUR, RVC EUR  | EUR            |
| PVC H-CHF, PC H-CHF  | CHF            |
| PC USD, PC H-USD, RC H-USD, RD H-USD, PD H-USD   | USD            |
| Share  | Division       |
| RC EUR, PC EUR, PD EUR, PVC EUR, TC EUR, PVC H-CHF, FC EUR, PC USD, PC H-USD, RC H-USD, RD H-USD, PD H-USD, PVD EUR, RD EUR, PC H-CHF, BC EUR, RVC EUR | In thousandths |

### 15. Terms and conditions of subscription and redemption of the Sub-fund Lazard Credit Opportunities

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

### **Date and frequency of NAV calculation**

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

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

Where and how to find out the net asset value: the net asset value is published Daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

### **Address of the institutions designated to receive subscription and redemption orders**

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

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

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

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

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

Orders are executed as indicated in the table below

| Business day   | Day on which NAV is set (d)       | The business day following the valuation day (D+1) | Two business days following the valuation day (D+2) | Two business days following the valuation day (D+2) |
|--|-----------------------------------|--|---|---|
| Daily order reception and Daily centralisation of redemption orders before 12:00 p.m. (Paris time) | Order executed by the latest on d | Publication of the net asset value                 | Settlement of subscription                          | Settlement of redemptions                           |

### **Procedures for switching from one share category to another or from one sub-fund to another:**

Requests to switch from one share category to another or from one sub-fund to another will systematically give rise to redemption and subscription in accordance with the valuation schedule applicable to each sub-fund or share category, as the case may be.

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

### **Redemption gate mechanism:**

The management company may implement a gate mechanism to spread investors' redemption requests of the Sub-fund over several net asset values if they exceed a set threshold, when exceptional circumstances so require and if the interests of investors or the public so require.

#### Description of the mechanism:

The management company may decide not to execute all redemptions at the same net asset value, when the objectively predetermined threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency of calculation of the net asset value of the Sub-fund, the Sub-fund management strategy and the liquidity of the assets in the portfolio.

For the Sub-fund, the cap on redemptions may be applied by the management company when the threshold of 10% of net assets is reached.

As the sub-fund has several share categories, the trigger level will be the same for all share categories of the sub-



fund. This threshold of 10% applies to centralised redemptions for the whole of the UCI's assets and not specifically to the share categories of the sub-fund.

The gate trigger level is the ratio between:

- the difference recorded, on the same centralisation date, between the number of shares of the sub-fund for which redemption is requested or the total amount of these redemptions, and the number of shares of the sub-fund for which subscription is requested or the total amount of these subscriptions; and
- the net assets of the sub-fund or the total number of shares in the sub-fund.

Where redemption requests exceed the gate trigger threshold, the Sub-fund may, however, decide to honour redemption requests in excess of the threshold, and thus partially or fully execute any orders that might be blocked.

For example, if total redemption requests of shares represent 20% of net assets of the Sub-fund while the trigger threshold is set at 10% of net assets, the Sub-fund may decide to honour redemption requests up to 16% of net assets (and thus execute 80% of redemption requests).

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 1 month.

#### Procedures for informing unitholders:

In the event the redemption gate is activated, investors of the Sub-fund will be informed by any means from the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

Investors of the Sub-fund whose redemption orders have not been executed will be informed specifically as soon as possible.

#### Processing of unexecuted orders:

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for holders of the Sub-fund who have requested a redemption at the same net asset value.

Redemption orders so deferred will not have priority over subsequent redemption requests. Redemption orders that are not executed and automatically deferred may not be revoked by the holders of the Sub-fund.

#### Exemption from the gate mechanism:

Subscriptions and redemptions for the same number of shares, on the basis of the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to gates. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

## 16. Fees and expenses of the Sub-fund Lazard Credit Opportunities

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

| Charges payable by the investor during subscription and redemption | Basis | Share | Rate (maximum incl. taxes) |
|--|-------|-------|----------------------------|
|  |       |       |                            |

|  |                        |  |      |
|--|------------------------|--|------|
| Subscription fees not retained by the Sub-fund | NAV x number of shares | RC EUR, PC EUR, PD EUR, PVC EUR, PVC H-CHF, FC EUR, PC USD, PC H-USD, RC H-USD, RD H-USD, RD EUR, PC H-CHF, BC EUR, RVC EUR                            | 4.0% |
|  |                        | TC EUR   | 3.0% |
|  |                        | PD H-USD, PVD EUR  | 0.0% |
| Subscription fees retained by the Sub-fund     | NAV x number of shares | RC EUR, PC EUR, PD EUR, PVC EUR, TC EUR, PVC H-CHF, FC EUR, PC USD, PC H-USD, RC H-USD, RD H-USD, PD H-USD, PVD EUR, RD EUR, PC H-CHF, BC EUR, RVC EUR | 0.0% |
| Redemption fees not retained by the Sub-fund   | NAV x number of shares | RC EUR, PC EUR, PD EUR, PVC EUR, TC EUR, PVC H-CHF, FC EUR, PC USD, PC H-USD, RC H-USD, RD H-USD, PD H-USD, PVD EUR, RD EUR, PC H-CHF, BC EUR, RVC EUR | 0.0% |
| Redemption fees retained by the Sub-fund       | NAV x number of shares | RC EUR, PC EUR, PD EUR, PVC EUR, TC EUR, PVC H-CHF, FC EUR, PC USD, PC H-USD, RC H-USD, RD H-USD, PD H-USD, PVD EUR, RD EUR, PC H-CHF, BC EUR, RVC EUR | 0.0% |

**Exemption:** No subscription and/or redemption fee will be charged in the case of a redemption followed by a subscription, on the same day, for the same amount, based on the same NAV.

| Expenses charged to the Sub-fund | Basis   | Share     | Rate (maximum incl. taxes) |
|----------------------------------|---|-----------|----------------------------|
| Financial management fees        | Net assets less UCIs managed by Lazard Frères Gestion | RC EUR    | 1.715%                     |
|                                  |   | PC EUR    | 1%                         |
|                                  |   | PD EUR    | 1%                         |
|                                  |   | PVC EUR   | 0.60%                      |
|                                  |   | TC EUR    | 1%                         |
|                                  |   | PVC H-CHF | 0.60%                      |
|                                  |   | FC EUR    | 1.00%                      |
|                                  |   | PC USD    | 1%                         |
|                                  |   | PC H-USD  | 1.05%                      |
|                                  |   | RC H-USD  | 1.765%                     |
|                                  |   | RD H-USD  | 1.765%                     |
|                                  |   | PD H-USD  | 1.05%                      |
|                                  |   | PVD EUR   | 0.60%                      |
|                                  |   | RD EUR    | 1.715%                     |
|                                  |   | PC H-CHF  | 1.05%                      |
| BC EUR                           | 1.0%  |           |                            |

|   |                                    |  |  |
|---|------------------------------------|--|--|
|   |                                    | RVC EUR  | 1.20%  |
| Operating costs and other services  | Net assets                         | Applied to all the shares  | 0.035%   |
| Indirect charges  | N.A                                | Applied to all the shares  | None   |
| Turnover commission (incl. taxes)<br>(0 to 100% received by the management company and 0 to 100% received by the custodian) | Maximum charge on each transaction | Applied to all the shares  | None   |
| Performance fees  | Net assets                         | RC EUR, PC EUR, PD EUR, TC EUR, FC EUR, PC USD, PC H-USD, RC H-USD, RD H-USD, PD H-USD, RD EUR, PC H-CHF, BC EUR | None   |
|   |                                    | PVC EUR, PVC H-CHF, PVD EUR  | 20% of the sub-fund's outperformance relative to benchmark index |
|   |                                    | RVC EUR  |  |

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

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

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

#### **Calculation method**

The calculation of the amount of the performance fee is based on a comparison between the performance of each share of the Sub-fund and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual Fund. The outperformance generated by the Sub-fund's share on a given date is defined as the positive difference between the assets of the Fund's 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 periodAs stated in the ESMA guidelines on performance fees, the reference period is "the time horizon over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset." This period is set at 5 years. This means that after 5 consecutive years without crystallisation, uncompensated underperformances prior to five years will no longer be taken into account in the calculation of the performance fee.

#### **Observation period**

The first observation period will start with a period of twelve months starting on 01/10/2021. At the end of each financial year, one of the following two cases may occur:

- The share of the Sub-fund 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 share of the Sub-fund outperformed over the observation period. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

#### **Provisioning**

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

### Crystallisation

The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months. The first crystallisation period will end on the last day of the financial year ending on 30/09/2022.

The performance fee is deducted even in the event of a negative performance of the Sub-fund.

### ILLUSTRATION: GENERAL CASE WITHOUT CHARGE WHEN PERFORMANCE IS NEGATIVE

|   | Year 1   | Year 2   | Year 3   | Year 4  | Year 5   |
|---|--|--|--|---|--|
| Performance of the shares of the Sub-fund                                     | 10%  | -4%  | -7%  | 6%  | 3%   |
| Performance of reference indicator  | 5%   | -5%  | -3%  | 4%  | 0%   |
| Outperformance/<br>Underperformance   | 5%   | 1%   | -4%  | 2%  | 3%   |
| Cumulative performance of the Sub-fund over the observation period            | 10%  | -4%  | -7%  | -1%   | 2%   |
| Cumulative performance of the reference indicator over the observation period | 5%   | -5%  | -3%  | 1%  | 1%   |
| Cumulative outperformance/<br>underperformance over the observation period    | 5%   | 1%   | -4%  | -2%   | 1%   |
| Commission charged?   | Yes  | Yes  | No, because the Sub-fund underperformed the reference indicator  | No, because the Sub-fund has underperformed over the entire current observation period, which began in year 3 | Yes  |
| Start of new observation period?  | Yes, a new observation period begins in year 2 | Yes, a new observation period begins in year 3 | No, the observation period is extended to include years 3 and 4* | No, the observation period is extended to include years 3, 4 and 5  | Yes, a new observation period begins in year 6 |

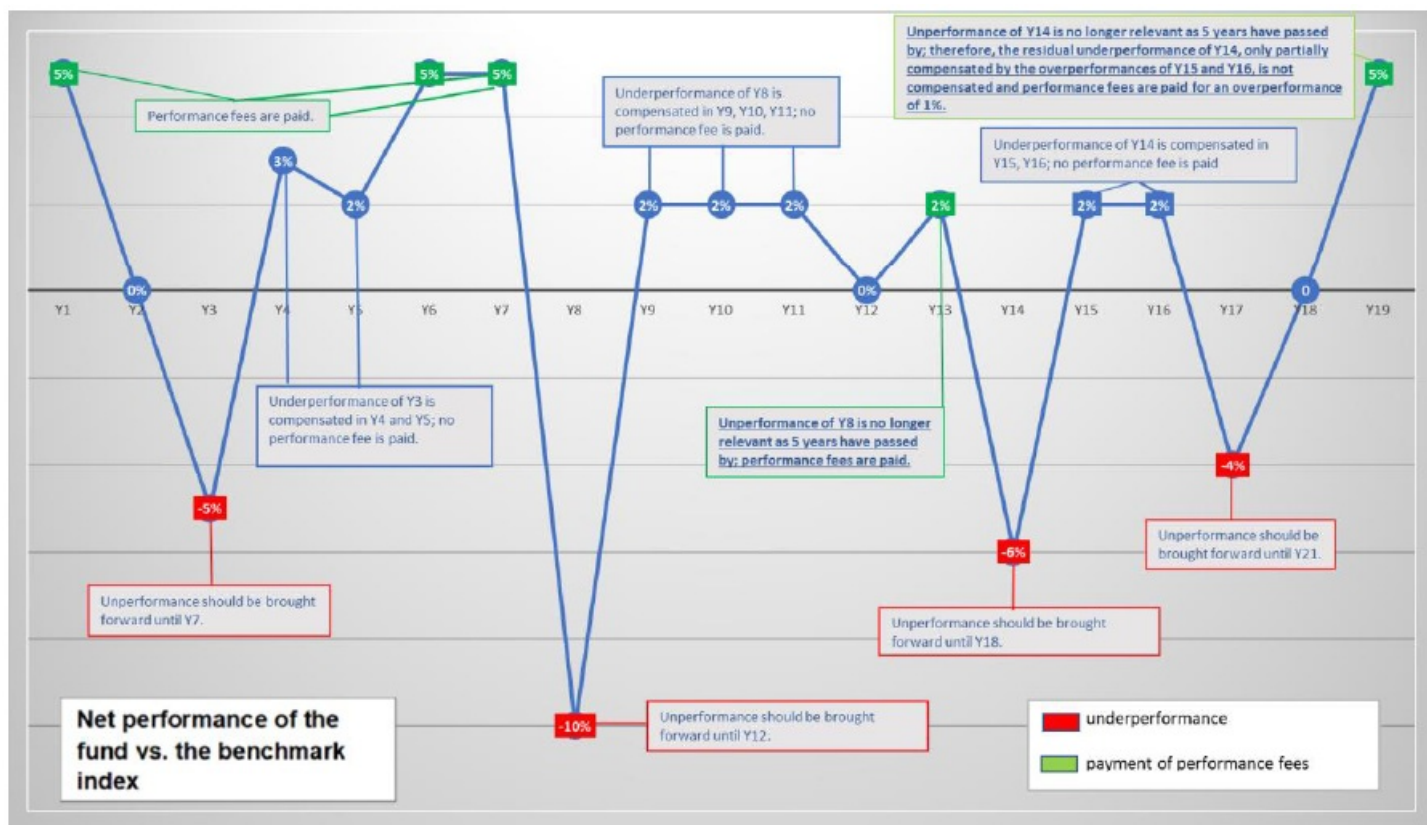
Note: To make the example easier to understand, we have indicated here the performance of the Sub-fund and the reference indicator in percentages. In practice, the outperformance/underperformance will be measured in amount, by the difference between the net assets of the Sub-fund and those of a notional fund as described in the methodology above. The performance fee may be capped in accordance with the provisions of the prospectus. \* From this year on, the Sub-fund must offset, over the next five years, this underperformance, as well as the underperformances that already had to be made up before further charges are made.

**ILLUSTRATION: TREATMENT OF PERFORMANCES NOT OFFSET BEYOND FIVE YEARS - EXAMPLE:**

| Year (Closing data) | Yield of the asset valued in quantity | Yield of the benchmark asset in quantity | Net yield (Comparison between the Subfund's valued assets and the Benchmark value, as described below) | Underperformance to be offset the following year | Performance fees? | Comments  |
|---------------------|---------------------------------------|--|--|--|-------------------|---|
| Year 1              | 10                                    | 5  | Outperformance:<br>+5<br>Calculation : 10 - 5  | -  | Yes               | (5 X 20%)   |
| Year 2              | 5                                     | 5  | Yield net: 0<br>Calculation : 5 - 5  | -  | No                |   |
| Year 3              | 3                                     | 8  | Underperformance : -5<br>Calculation : 3 - 8   | -5   | No                | The underperformance must be moved forward until year 7.  |
| Year 4              | 4                                     | 1  | Outperformance:<br>+3<br>Calculation : 4 - 1   | -2<br>(-5 + 3)                                   | No                |   |
| Year 5              | 2                                     | 0  | Outperformance:<br>+2<br>Calculation : 2 - 0   | 0<br>(-2 + 2)                                    | No                | Underperformance of year 3 offset                         |
| Year 6              | -1                                    | -6                                       | Outperformance:<br>+5<br>Calculation: -1 - (-6)  | -  | Yes               | (5 X 20%)   |
| Year 7              | 4                                     | -1                                       | Outperformance:<br>+5<br>Calculation: 4 - (-1)   | -  | Yes               | (5 X 20%)   |
| Year 8              | -10                                   | 0  | Underperformance : -10<br>Calculation: -10 - 0   | -10  | No                | The underperformance must be moved forward until year 12. |

|         |    |    |   |                   |     |   |
|---------|----|----|---|-------------------|-----|---|
| Year 9  | -1 | -3 | Outperformance:<br>+2<br>Calculation: $-1 - (-3)$ | -8<br>$(-10 + 2)$ | No  |   |
| Year 10 | -5 | -7 | Outperformance:<br>+2<br>Calculation: $-5 - (-7)$ | -6<br>$(-8 + 2)$  | No  |   |
| Year 11 | 0  | -2 | Outperformance:<br>+2<br>Calculation: $0 - (-2)$  | -4<br>$(-6 + 2)$  | No  |   |
| Year 12 | 1  | 1  | Yield net: +0<br>Calculation: $1 - 1$             | -4                | No  | The underperformance of year 12 that must be moved forward to the following year (year 13) is 0 (and not -4), given that the residual underperformance from year 8, which has not yet been offset (-4), is no longer relevant, as a five-year period has past (the underperformance of year 8 is offset until year 12). |
| Year 13 | 4  | 2  | Outperformance:<br>+2<br>Calculation: $4 - 2$     | -                 | Yes | (2 X 20%)   |
| Year 14 | 1  | 7  | Underperformance:<br>-6<br>Calculation: $1 - 7$   | -6                | No  | The underperformance must be moved forward until year 18.   |

|         |   |   |  |                 |     |   |
|---------|---|---|--|-----------------|-----|---|
| Year 15 | 6 | 4 | Outperformance:<br>+2<br>Calculation: 6 - 4    | -4<br>(-6 + 2)  | No  |   |
| Year 16 | 5 | 3 | Outperformance:<br>+2<br>Calculation: 5 - 3    | -2<br>(-4 + 2)  | No  |   |
| Year 17 | 1 | 5 | Underperformance<br>: -4<br>Calculation: 1 - 5 | -6<br>(-2 + -4) | No  | The underperformance must be moved forward until year 21.   |
| Year 18 | 3 | 3 | Yield net: 0<br>Calculation: 3 - 3             | -4              | No  | The underperformance of year 18 that must be advanced to the following year (year 19) is 4 (and not -6), given the residual underperformance from year 14, which has not yet been offset (-2), is no longer relevant, as a five-year period has passed (the underperformance of year 14 is offset until year 18). |
| Year 19 | 7 | 2 | Outperformance:<br>+5<br>Calculation: 7 - 2    | 1<br>(-4 + 5)   | Yes | Underperformance of year 18 offset (1 X 20%)  |



The above example is provided purely for illustration and in no way constitutes a projection of the Fund's future performance.

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

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

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

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

## 17. Outline of the counterparty selection procedure of the Sub-fund Lazard Credit Opportunities

The intermediaries used in fixed-income management are selected using a range of evaluation criteria:

- Quality of order execution and negotiated prices;
- Quality of operational service in processing orders;
- Coverage of information when monitoring markets;
- Quality of macroeconomic and financial research.

The fixed-income managers report at least twice a year to the management company's Broker Committee, with an assessment of the services provided by the various brokers and a breakdown of transaction volumes. The Broker Committee approves any updates to the list of authorised brokers.



## **SUB-FUND Lazard Euro Short Duration High Yield SRI**

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

#### **1. Features of the Sub-fund Lazard Euro Short Duration High Yield SRI**

| Characteristics of shares                              |   |
|--|---|
| Share RC EUR   | FR0013506987  |
| Share RVC EUR  | FR0013506995  |
| Share PD EUR   | FR0013507001  |
| Share PVC EUR  | FR0013507019  |
| Share EVC EUR  | FR0013507027  |
| Share AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR     | FR001400QPO4  |
| Nature of the rights attached to the Sub-fund's shares | Each shareholder has an ownership right in and to the assets of the Sub-fund in proportion to the number of shares owned.   |
| Voting rights attached to the Sub-fund's shares        | Each shareholder is entitled to one vote for each share held.   |
| Form of shares   | Bearer or administered registered at the unitholder's discretion.<br>The Sub-fund is listed with Euroclear France.  |
| Fractional or whole shares                             | The Sub-fund's shares may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the shares).                                     |
| Financial year end                                     | Last valuation day in September.  |
| First financial year end                               | Last valuation day in September 2020.   |
| Taxation   | The Sub-fund is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. |

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

|                |   |
|----------------|---|
| Fund of fund   | None  |
| Classification | International bonds and other debt securities |

|                      |   |  |
|----------------------|---|--|
| Investment objective | Share RC EUR, Share RVC EUR, Share PD EUR, Share PVC EUR, Share EVC EUR, Share AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | The investment objective is to achieve, by applying a Socially Responsible Investment (SRI) management approach, over the recommended investment horizon of 3 years a return (net of charges) above the following composite benchmark: 70% ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index (H1EC) ; 30% ICE BofAML 1-3 Year Corporate. The index is rebalanced on a monthly basis and its components are expressed in EUR, assuming reinvestment of net dividends or coupons.   |
| Benchmark indicator  | Share RC EUR, Share RVC EUR, Share PD EUR, Share PVC EUR, Share EVC EUR, Share AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | ICE BofAML 1-3 Year Corporate<br>The ICE BofAML 1-3 Year Corporate index in euros is published by ICE and consists of investment grade-rated bonds with a maturity of between one and three years, denominated in euro and issued by financial and non-financial companies. Transaction charges are included.<br>Data is available on the website: <a href="http://www.indices.theice.com">www.indices.theice.com</a><br>Bloomberg code: ER01  |
|                      | Share RC EUR, Share RVC EUR, Share PD EUR, Share PVC EUR, Share EVC EUR, Share AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index (H1EC)<br>The ICE BofAML BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained Index (H1EC) tracks the performance of euro-denominated corporate and financial institution bonds with short maturities. Eligible securities must be rated from BB1 to CCC3 (based on an average of the Moody's, S&P and Fitch rating), have a final maturity of at least 18 months at the time of issue, have a residual maturity of at least one year but less than three years at the final maturity at the rebalancing date, a fixed coupon schedule and a minimum outstanding amount of €250 million. In addition, eligible securities must have risk exposure to FX-G10 member countries, Western countries, and developing countries. Transaction charges are included. |

## 1. Strategies used of the Sub-fund Lazard Euro Short Duration High Yield SRI

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

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

The management company therefore analyses the issuers' fundamentals, the valuation of the asset class, the sentiment, i.e. the positioning of investors in this asset class, and the technical factors, which are a balance

between supply (primary market) and demand (flows).

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

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

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

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

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

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

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

| Interest rate risk (including derivatives) | Investment |      | Exposure |      |
|--|------------|------|----------|------|
|  | Min.       | Max. | Min.     | Max. |
| Interest rate risk sensitivity range       | 0          | 3    | 0        | 3    |

| Credit risk (including derivatives) | Investment    |      | Exposure |      |      |
|-------------------------------------|---------------|------|----------|------|------|
|                                     | Min.          | Max. | Min.     | Max. |      |
| Geographical area of the Issuer     | Europe Zone   | 0%   | 100%     | 0%   | 100% |
|                                     | Other regions | 0%   | 100%     | 0%   | 100% |

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

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

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

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

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

## **SRI management**

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

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

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

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

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

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

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

- Limits to 50% of the portfolio the proportion of issuers with a rating of three or less for High Yield funds,
- Excludes issuers with a rating of less than or equal to 2.

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

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

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

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

The ESG analysis is broken down into 6 areas:

1. Human resources: 7 criteria

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

2. Environment: 11 criteria

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

### 3. Customer/supplier relationships: 9 criteria

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

### 4. Human Rights: 4 criteria

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

### 5. Community involvement: 3 criteria

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

### 6. Governance: 4 criteria

Balance of powers and efficiency of the board of directors / Audit of control mechanisms / Shareholders' rights / Remuneration of executives

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

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

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

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

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

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

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

The "Do No Significant Harm" principle applies only to investments underlying the financial product that take into account the European Union's criteria for environmentally sustainable economic activities.

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

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

## 2. Assets (excluding embedded derivatives) of the Sub-fund Lazard Euro Short Duration High Yield SRI

The Sub-fund's portfolio comprises:

### **Equities:**

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

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

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

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

a) Bonds and debt securities denominated in euros and/or any other currency, rated speculative or high yield or the equivalent based on the management company's analysis, up to 100% of the net assets.

b) A maximum of 40% of the net assets in bonds and debt securities denominated in euros and/or any other currency, rated investment grade or the equivalent based on the management company's analysis.

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

d) Unrated bonds up to a maximum of 10% of the net assets.

e) Convertible bonds up to a maximum of 10% of the net assets.

### **UCIs:**

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

These UCIs may be managed by the management company.

## 3. Derivatives of the Sub-fund Lazard Euro Short Duration High Yield SRI

### • Types of markets:

- regulated
- organised
- OTC

### • The manager intends to seek exposure to:

- equities
- interest rates
- currencies
- credit

other : volatility

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

hedging

exposure

arbitrage

other

• Type of instruments used:

futures:

equity and equity index

interest rate: interest rate risk

currency

other

options:

equity and equity index

interest rate: interest rate risk and interest rate volatility

currency

other

swaps:

equity swaps

interest rate swaps: transformation of fixed-rate income to variable-rate income and vice versa

currency swaps

performance swaps

currency forwards

credit derivatives, with the exception of CDS on single or tranche products.

other

• Strategy of use of derivatives to achieve the investment objective:

partial or general hedging of the portfolio, some risks and securities

creating synthetic exposure to assets and risks

increasing exposure to the market without leverage

maximum permitted and sought

other strategy

#### 4. Securities with embedded derivatives of the Sub-fund Lazard Euro Short Duration High Yield SRI

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

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

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

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

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

## 6. Cash borrowings of the Sub-fund Lazard Euro Short Duration High Yield SRI

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

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

None

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

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

## 9. Risk profile of the Sub-fund Lazard Euro Short Duration High Yield SRI

### Disclaimer

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

### • Risk of capital loss

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

### • Interest rate risk

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

### • Credit risk

The risk of a deterioration in the credit quality of or default by a public or private issuer. The Sub-fund's exposure to issuers either through direct investment or via other UCI may give rise to a decline in the net asset



value. If the Sub-fund is exposed to unrated or speculative/high yield debt, the credit risk is high and may lead to a decline in the Sub-fund's net asset value.

- **Derivative financial instrument risk**

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

- **Counterparty risk**

This type with one or more counterparties potentially exposes the Sub-fund to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the Sub-fund's net asset value.

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

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

- **Liquidity risk**

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

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

Subordinated debt and contingent convertible bonds carry specific risks of non-payment of interest and loss of capital in certain circumstances. At a certain solvency threshold or trigger event, the issuer may or is obliged to suspend the payment of interest and/or reduce the nominal value of the security or convert the bonds into equity. Notwithstanding the thresholds defined in the issue prospectus, the supervisory authorities have the possibility of applying in a preventive manner these rules if the circumstances require based on an objective threshold, the point of non-viability. Holders of these securities are exposed to the risk of complete or partial loss of their investment if conversion to equity takes place at a price that is predetermined, or subject to a discount as set out contractually in the terms of the issue prospectus, or applied arbitrarily by a supervisory authority. Holders are also exposed to potentially significant fluctuations in price if the issuer lacks capital or experiences difficulties.

- **Risk related to overexposure:**

The Sub-fund may use forward financial instruments (derivatives) to generate overexposure and thus bring the Sub-fund's exposure above its net asset value. Depending on the transactions, the impact of a decrease (purchase of exposure) or increase (sale of exposure) in the derivative's underlying instrument may be amplified and thus amplify any decrease in the Sub-fund's net asset value.

- **Foreign exchange risk (ancillary)**

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

- **Sustainability risk**

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

- **ESG investment risk and methodological limitations**

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

## 10. Guarantee or protection of the Sub-fund Lazard Euro Short Duration High Yield SRI

None

## 11. Eligible subscribers and typical investor profile of the Sub-fund Lazard Euro Short Duration High Yield SRI

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

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

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

### Information on Russian and Belarusian investors

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

### Information on US investors:

The Sub-fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

### FATCA:

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the Sub-fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

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

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

This Sub-fund may not be suitable for investors planning to withdraw their contributions within 3 years.

## 12. Allocation of distributable income of the Sub-fund Lazard Euro Short Duration High Yield SRI

Distributable income consists of:

- 1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account. Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, remuneration and all income generated by the securities that make up the UCIs portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.
- 2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

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

| Share   |   |
|---|---|
| RC EUR , RVC EUR , PVC EUR , EVC EUR , AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law                                  |
| PD EUR  | Net income is distributed in full and the allocation of net realised capital gains is decided each year by the shareholders' meeting. It may pay interim dividends. |

## 13. Frequency of distribution of the Sub-fund Lazard Euro Short Duration High Yield SRI

RC EUR, RVC EUR, PVC EUR, EVC EUR and AGIPI Euro Short Duration High Yield SRI EUR shares: none

PD EUR shares: the dividend is paid out to holders of PD EUR shares once a year. Interim dividends may be paid.

## 14. Characteristics of the shares (base currency, division of shares, etc.) of the Sub-fund Lazard Euro Short Duration High Yield SRI

|   |          |
|---|----------|
| Share   |          |
| RC EUR, RVC EUR, PD EUR, PVC EUR, EVC EUR, AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | EUR      |
| Share   | Division |

## 15. Terms and conditions of subscription and redemption of the Sub-fund Lazard Euro Short Duration High Yield SRI

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

### Date and frequency of NAV calculation

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

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

Where and how to find out the net asset value: the net asset value is published Daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

### Address of the institutions designated to receive subscription and redemption orders

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

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

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

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

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

Orders are executed as indicated in the table below

| Business day   | Day on which NAV is set (d)       | The business day following the valuation day (D+1) | Two business days following the valuation day (D+2) | Two business days following the valuation day (D+2) |
|--|-----------------------------------|--|---|---|
| Daily order reception and Daily centralisation of redemption orders before 12:00 p.m. (Paris time) | Order executed by the latest on d | Publication of the net asset value                 | Settlement of subscription                          | Settlement of redemptions                           |

### Procedures for switching from one share category to another or from one sub-fund to another:

Requests to switch from one share category to another or from one sub-fund to another will systematically give rise to redemption and subscription in accordance with the valuation schedule applicable to each sub-fund or share category, as the case may be.

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

### Redemption gate mechanism:

The management company may implement a gate mechanism to spread investors' redemption requests of the Sub-fund over several net asset values if they exceed a set threshold, when exceptional circumstances so require and if the interests of investors or the public so require.

#### Description of the mechanism:

The management company may decide not to execute all redemptions at the same net asset value, when the objectively predetermined threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency of calculation of the net asset value of the Sub-fund, the Sub-fund management strategy and the liquidity of the assets in the portfolio.

For the Sub-fund, the cap on redemptions may be applied by the management company when the threshold of 5% of net assets is reached.

As the sub-fund has several share categories, the trigger level will be the same for all share categories of the sub-fund. This threshold of 5% applies to centralised redemptions for the whole of the UCI's assets and not specifically to the share categories of the sub-fund.

The gate trigger level is the ratio between:

- the difference recorded, on the same centralisation date, between the number of shares of the sub-fund for which redemption is requested or the total amount of these redemptions, and the number of shares of the sub-fund for which subscription is requested or the total amount of these subscriptions; and
- the net assets of the sub-fund or the total number of shares in the sub-fund.

Where redemption requests exceed the gate trigger threshold, the Sub-fund may, however, decide to honour redemption requests in excess of the threshold, and thus partially or fully execute any orders that might be blocked.

For example, if total redemption requests of shares represent 10% of net assets of the Sub-fund while the trigger threshold is set at 5% of net assets, the Sub-fund may decide to honour redemption requests up to 8% of net assets (and thus execute 80% of redemption requests).

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 1 month.

#### Procedures for informing unitholders:

In the event the redemption gate is activated, investors of the Sub-fund will be informed by any means from the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

Investors of the Sub-fund whose redemption orders have not been executed will be informed specifically as soon as possible.

#### Processing of unexecuted orders:

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for holders of the Sub-fund who have requested a redemption at the same net asset value. Redemption orders so deferred will not have priority over subsequent redemption requests. Redemption orders that are not executed and automatically deferred may not be revoked by the holders of the Sub-fund.

#### Exemption from the gate mechanism:

Subscriptions and redemptions for the same number of shares, on the basis of the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to gates. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

## **16. Fees and expenses of the Sub-fund Lazard Euro Short Duration High Yield SRI**

Subscription and redemption fees are respectively added to the subscription price paid by the investor or deducted from the redemption price paid. The fees earned by the Sub-fund are used to cover the charges that it

incurs in investing or divesting the assets under management. The remaining fees are paid to the management company, the distributor, etc.

| Charges payable by the investor during subscription and redemption | Basis                  | Share   | Rate (maximum incl. taxes) |
|--|------------------------|---|----------------------------|
| Subscription fees not retained by the Sub-fund                     | NAV x number of shares | RC EUR, RVC EUR, PD EUR, PVC EUR, EVC EUR, AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | 4.0%                       |
| Subscription fees retained by the Sub-fund                         | NAV x number of shares | RC EUR, RVC EUR, PD EUR, PVC EUR, EVC EUR, AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | 0.0%                       |
| Redemption fees not retained by the Sub-fund                       | NAV x number of shares | RC EUR, RVC EUR, PD EUR, PVC EUR, EVC EUR, AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | 0.0%                       |
| Redemption fees retained by the Sub-fund                           | NAV x number of shares | RC EUR, RVC EUR, PD EUR, PVC EUR, EVC EUR, AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | 0.0%                       |

**Exemption:** No subscription and/or redemption fee will be charged in the case of a redemption followed by a subscription, on the same day, for the same amount, based on the same NAV.

| Expenses charged to the Sub-fund   | Basis   | Share  | Rate (maximum incl. taxes)     |  |
|--|---|--|--------------------------------|--|
| Financial management fees  | Net assets less UCIs managed by Lazard Frères Gestion | RC EUR                                       | 0.80%                          |  |
|  |   | RVC EUR                                      | 0.50%                          |  |
|  |   | PD EUR                                       | 0.40%                          |  |
|  |   | PVC EUR                                      | 0.25%                          |  |
|  |   | EVC EUR                                      | 0.15%                          |  |
|  |   | AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | 1.00%                          |  |
| Operating costs and other services   | Net assets  | Applied to all the shares                    | 0.035%                         |  |
| Indirect charges   | N.A   | Applied to all the shares                    | None                           |  |
| Turnover commission (incl. taxes) (0 to 100% received by the management company and 0 to 100% received by the custodian) | Maximum charge on each transaction                    | Applied to all the shares                    | Bonds, foreign exchange        | None                                     |
|  |   |  | Futures and other transactions | From €0 to €450 incl. taxes per contract |

|                  |            |  |  |
|------------------|------------|--|--|
| Performance fees | Net assets | RC EUR, PD EUR, AGIPI EURO SHORT DURATION HIGH YIELD SRI EUR | None   |
|                  |            | RVC EUR, PVC EUR, EVC EUR                                    | 20% of the Sub-fund's outperformance relative to the benchmark index, capped at 2% of the net assets |

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

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

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

#### **Calculation method**

The calculation of the amount of the performance fee is based on a comparison between the performance of each share of the Sub-fund and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual Fund. The outperformance generated by the Sub-fund's share on a given date is defined as the positive difference between the assets of the Fund's 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 periodAs stated in the ESMA guidelines on performance fees, the reference period is "the time horizon over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset." This period is set at 5 years. This means that after 5 consecutive years without crystallisation, uncompensated underperformances prior to five years will no longer be taken into account in the calculation of the performance fee.

#### **Observation period**

The first observation period will start with a period of twelve months starting on 01/10/2021. At the end of each financial year, one of the following two cases may occur:

- The share of the Sub-fund 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 share of the Sub-fund outperformed over the observation period. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

#### **Provisioning**

Each time the net asset value (NAV) is established, the performance fee is subject to a provision (of 20% of the outperformance) when the performance of the Sub-fund's share is higher than that of the notional UCI over the observation period, or to a reversal of the provision limited to the existing allocation in case of underperformance. In case of redemptions during the period, the proportion of the provision corresponding to the number of shares redeemed is definitively acquired and charged by the management company. This performance fee will be capped at 2% of the net assets of the "assets of the Sub-fund's the share".

#### **Crystallisation**

The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months. The first crystallisation period will end on the last day of the financial year ending on 30/09/2022.

The performance fee is deducted even in the event of a negative performance of the Sub-fund.

**ILLUSTRATION: GENERAL CASE WITHOUT CHARGE WHEN PERFORMANCE IS NEGATIVE**

|   | Year 1   | Year 2   | Year 3   | Year 4  | Year 5   |
|---|--|--|--|---|--|
| Performance of the shares of the Sub-fund                                     | 10%  | -4%  | -7%  | 6%  | 3%   |
| Performance of reference indicator  | 5%   | -5%  | -3%  | 4%  | 0%   |
| Outperformance/ Underperformance  | 5%   | 1%   | -4%  | 2%  | 3%   |
| Cumulative performance of the Sub-fund over the observation period            | 10%  | -4%  | -7%  | -1%   | 2%   |
| Cumulative performance of the reference indicator over the observation period | 5%   | -5%  | -3%  | 1%  | 1%   |
| Cumulative outperformance/ underperformance over the observation period       | 5%   | 1%   | -4%  | -2%   | 1%   |
| Commission charged?   | Yes  | Yes  | No, because the Sub-fund underperformed the reference indicator  | No, because the Sub-fund has underperformed over the entire current observation period, which began in year 3 | Yes  |
| Start of new observation period?  | Yes, a new observation period begins in year 2 | Yes, a new observation period begins in year 3 | No, the observation period is extended to include years 3 and 4* | No, the observation period is extended to include years 3, 4 and 5  | Yes, a new observation period begins in year 6 |

Note: To make the example easier to understand, we have indicated here the performance of the Sub-fund and the reference indicator in percentages. In practice, the outperformance/underperformance will be measured in amount, by the difference between the net assets of the Sub-fund and those of a notional fund as described in the methodology above. The performance fee may be capped in accordance with the provisions of the prospectus. \* From this year on, the Sub-fund must offset, over the next five years, this underperformance, as well as the underperformances that already had to be made up before further charges are made.

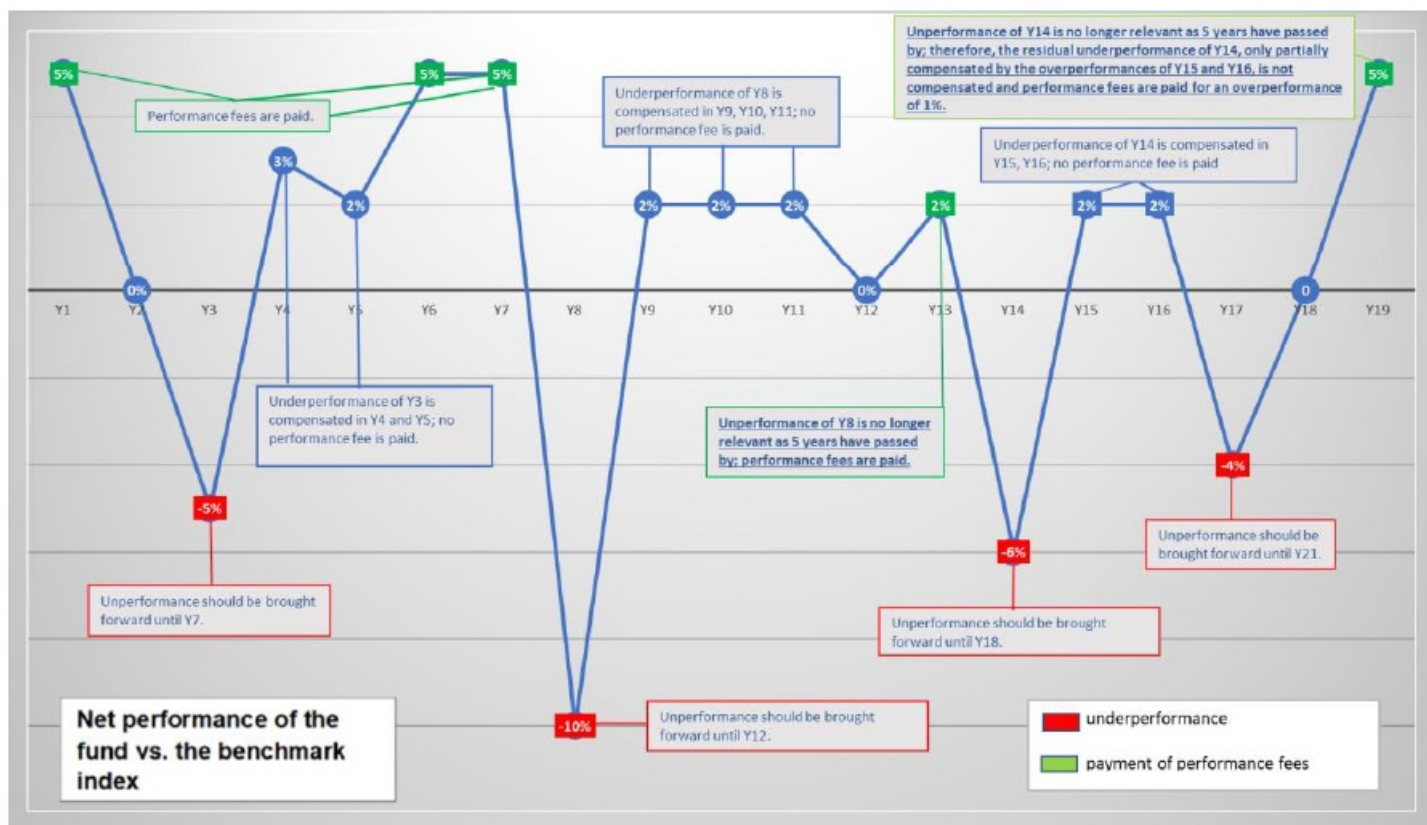
**ILLUSTRATION: TREATMENT OF PERFORMANCES NOT OFFSET BEYOND FIVE YEARS - EXAMPLE:**



| Year (Closing data) | Yield of the asset valued in quantity | Yield of the benchmark asset in quantity | Net yield (Comparison between the Subfund's valued assets and the Benchmark value, as described below) | Underperformance to be offset the following year | Performance fees? | Comments  |
|---------------------|---------------------------------------|--|--|--|-------------------|---|
| Year 1              | 10                                    | 5  | Outperformance: +5<br>Calculation : 10 - 5   | -  | Yes               | (5 X 20%)   |
| Year 2              | 5                                     | 5  | Yield net: 0<br>Calculation : 5 - 5  | -  | No                |   |
| Year 3              | 3                                     | 8  | Underperformance : -5<br>Calculation : 3 - 8   | -5   | No                | The underperformance must be moved forward until year 7.  |
| Year 4              | 4                                     | 1  | Outperformance: +3<br>Calculation : 4 - 1  | -2<br>(-5 + 3)                                   | No                |   |
| Year 5              | 2                                     | 0  | Outperformance: +2<br>Calculation : 2 - 0  | 0<br>(-2 + 2)                                    | No                | Underperformance of year 3 offset                         |
| Year 6              | -1                                    | -6                                       | Outperformance: +5<br>Calculation: -1 - (-6)   | -  | Yes               | (5 X 20%)   |
| Year 7              | 4                                     | -1                                       | Outperformance: +5<br>Calculation: 4 - (-1)  | -  | Yes               | (5 X 20%)   |
| Year 8              | -10                                   | 0  | Underperformance : -10<br>Calculation: -10 - 0   | -10  | No                | The underperformance must be moved forward until year 12. |
| Year 9              | -1                                    | -3                                       | Outperformance: +2<br>Calculation: -1 - (-3)   | -8<br>(-10 + 2)                                  | No                |   |
| Year 10             | -5                                    | -7                                       | Outperformance: +2<br>Calculation: -5 - (-7)   | -6<br>(-8 + 2)                                   | No                |   |

|         |   |    |  |                  |     |   |
|---------|---|----|--|------------------|-----|---|
| Year 11 | 0 | -2 | Outperformance:<br>+2<br>Calculation: $0 - (-2)$ | -4<br>$(-6 + 2)$ | No  |   |
| Year 12 | 1 | 1  | Yield net: +0<br>Calculation: $1 - 1$            | -4               | No  | The underperformance of year 12 that must be moved forward to the following year (year 13) is 0 (and not -4), given that the residual underperformance from year 8, which has not yet been offset (-4), is no longer relevant, as a five-year period has past (the underperformance of year 8 is offset until year 12). |
| Year 13 | 4 | 2  | Outperformance:<br>+2<br>Calculation: $4 - 2$    | -                | Yes | (2 X 20%)   |
| Year 14 | 1 | 7  | Underperformance:<br>-6<br>Calculation: $1 - 7$  | -6               | No  | The underperformance must be moved forward until year 18.   |
| Year 15 | 6 | 4  | Outperformance:<br>+2<br>Calculation: $6 - 4$    | -4<br>$(-6 + 2)$ | No  |   |
| Year 16 | 5 | 3  | Outperformance:<br>+2<br>Calculation: $5 - 3$    | -2<br>$(-4 + 2)$ | No  |   |

|         |   |   |   |                 |     |   |
|---------|---|---|---|-----------------|-----|---|
| Year 17 | 1 | 5 | Underperformance : -4<br>Calculation: 1 - 5 | -6<br>(-2 + -4) | No  | The underperformance must be moved forward until year 21.   |
| Year 18 | 3 | 3 | Yield net: 0<br>Calculation: 3 - 3          | -4              | No  | The underperformance of year 18 that must be advanced to the following year (year 19) is 4 (and not -6), given the residual underperformance from year 14, which has not yet been offset (-2), is no longer relevant, as a five-year period has passed (the underperformance of year 14 is offset until year 18). |
| Year 19 | 7 | 2 | Outperformance: +5<br>Calculation: 7 - 2    | 1<br>(-4 + 5)   | Yes | Underperformance of year 18 offset (1 X 20%)  |



The above example is provided purely for illustration and in no way constitutes a projection of the Fund's future performance.

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

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

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

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

## 17. Outline of the counterparty selection procedure of the Sub-fund Lazard Euro Short Duration High Yield SRI

The intermediaries used in fixed-income management are selected using a range of evaluation criteria:

- Quality of order execution and negotiated prices;
- Quality of operational service in processing orders;
- Coverage of information when monitoring markets;
- Quality of macroeconomic and financial research.

The fixed-income managers report at least twice a year to the management company's Broker Committee, with an assessment of the services provided by the various brokers and a breakdown of transaction volumes. The Broker Committee approves any updates to the list of authorised brokers.

## **SUB-FUND Lazard Global Green Bond Opportunities**

### **GENERAL FEATURES OF THE SUB-FUND LAZARD GLOBAL GREEN BOND OPPORTUNITIES**

#### **1. Features of the Sub-fund Lazard Global Green Bond Opportunities**

| Characteristics of shares                              |   |
|--|---|
| Share EC EUR   | FR001400BVQ9  |
| Share PVC EUR  | FR001400BVR7  |
| Share PC EUR   | FR001400BVS5  |
| Share RC EUR   | FR001400BVT3  |
| Share RVC EUR  | FR001400BVU1  |
| Share PD EUR   | FR001400BVV9  |
| Share RD EUR   | FR001400BVW7  |
| Nature of the rights attached to the Sub-fund's shares | Each shareholder has an ownership right in and to the assets of the Sub-fund in proportion to the number of shares owned.   |
| Voting rights attached to the Sub-fund's shares        | Each shareholder is entitled to one vote for each share held.   |
| Form of shares   | Bearer or administered registered at the unitholder's discretion.<br>The Sub-fund is listed with Euroclear France.  |
| Fractional or whole shares                             | The Sub-fund's shares may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the shares).                                     |
| Financial year end                                     | Last valuation day in September.  |
| First financial year end                               | Last valuation day in September 2023.   |
| Taxation   | The Sub-fund is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. |

### **OTHER SPECIFICATIONS OF THE SUB-FUND LAZARD GLOBAL GREEN BOND OPPORTUNITIES**

|                |   |
|----------------|---|
| Fund of fund   | None  |
| Classification | International bonds and other debt securities |

|                      |  |   |
|----------------------|--|---|
| Investment objective | Share EC EUR, Share PVC EUR, Share PC EUR, Share RC EUR, Share RVC EUR, Share PD EUR, Share RD EUR | The investment objective is to outperform the benchmark index ICE BofA 1-3 Year Euro Government Index (EG01) + 0,80%, net of charges, over the recommended investment period of three years, while promoting the ecological and energy transition through investment in green bonds. The benchmark index is expressed in euros. |
| Benchmark indicator  | Share EC EUR, Share PVC EUR, Share PC EUR, Share RC EUR, Share RVC EUR, Share PD EUR, Share RD EUR | ICE BofAML 1-3 Year Euro Government Index +0,80%  |

## 1. Strategies used of the Sub-fund Lazard Global Green Bond Opportunities

The Sub-Fund aims to outperform, on an annual basis, the benchmark index +0,80%, net of charges, through dynamic management of interest rate risk, credit risk and currency risk, by investing in corporate, public entity, government or supranational bonds issued to finance projects with a positive impact on the environment such as renewable energies, energy efficiency, pollution prevention and control, sustainable waste and water management, biodiversity preservation, sustainable land use, clean transportation, the circular economy, green buildings and adaptation to climate change.

The Sub-Fund invests in sustainable bonds, with a minimum of 90% in green bonds that are intended to finance the ecological and energy transition. Green bonds must comply with the principles set out in the International Capital Market Association (ICMA) Green Bond Principles (GBP). Up to 10% may be diversified into bonds issued by issuers whose economic activity is considered sustainable within the meaning of the SFDR Regulation, Social Bonds whose objective is to finance socially sustainable projects and aiming to provide substantial social benefits, and/or Sustainability Bonds whose funds are used exclusively for environmental and social projects. Social Bonds must comply with the four principles set out in the ICMA's Social Bond Principles (SBP). Sustainability Bonds must follow the principles of the GBP and the SBP, respectively relevant for environmental and social projects in accordance with the ICMA's Sustainability Bond Guidelines (SBG).

The GBP, SBG and SBP are a set of frameworks whose principles are as follows:

- 1/ the use of funds,
  - 2/ the project assessment and selection process,
  - 3/ fund management, and
  - 4/ reporting.
- Percentages exclude cash and money market funds.

The selection process for sustainable investments with an environmental or social purpose covers at least 80% of the fund's net assets. The portfolio only makes sustainable investments except for a proportion of assets for hedging and liquidity purposes. If a security held in the portfolio is not eligible for sustainable investment, the position will be sold within three months.

As such, the Sub-Fund has a sustainable investment objective within the meaning of Article 9 of Regulation (EU) 2019/2088 known as the "SFDR Regulation".

The initial investment universe is the global universe of bonds and negotiable debt securities denominated in euros or other currencies, of any subordination rank, at fixed, variable or indexed rates, issued by companies, financial institutions, public entities and governments. To build the portfolio, the manager conducts their own

analysis of bonds and debt securities. The portfolio manager may invest in any type of issuer, regardless of geographical location. The manager conducts their own credit assessment for selection purposes, both at the time of purchase and during the life of the securities. He does not rely solely on ratings issued by rating agencies and develops credit risk analysis and the necessary procedures to make purchase decisions or buy or hold decisions in the event of a downgrade.

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

| Interest rate risk (including derivatives) | Investments |      | Exposure |      |
|--|-------------|------|----------|------|
|  | Min.        | Max. | Min.     | Max. |
| Interest rate risk sensitivity range       | -3          | +12  | -3       | +12  |

| Credit risk                     | Investments |      | Exposure |      |
|---------------------------------|-------------|------|----------|------|
| Geographical area of the Issuer | Max.        | Max. | Max.     | Max. |
| Europe region                   | 0%          | 100% | 0%       | 100% |
| Other regions                   | 0%          | 100% | 0%       | 100% |

The Sub-Fund may invest in bonds denominated in currencies other than the euro. The net exposure to currencies other than the euro may reach 10% of the net assets.

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

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

The use of derivatives for hedging purposes meets a technical and portfolio adjustment objective to hedge risks. They can also be used to obtain additional exposure on a temporary basis.

#### Selection of derivatives according to ESG criteria

In accordance with the Sub-Fund's policy, the use of derivatives will not affect the sustainable quality of the portfolio.

Before investing, our analysts perform a first level of ESG analysis, common to the entire management company.

This analysis covers both the issuers' ESG profile and the green bonds selected.

#### Internal analysis of issuers' ESG profile

Based on the various data provided by our ESG partners (extra-financial analysis agencies), the companies' annual reports, sustainability reports and direct exchanges with them, the analysts responsible for each stock monitored establish an internal ESG score.

This score is based on quantitative indicators (such as CO2 intensity, staff turnover rate, board independence rate, etc.) and qualitative indicators (such as the existence and solidity of the environmental policy, the existence of an equal opportunity policy, management remuneration policy, etc.).

The analyst-manager assesses these data for each company in absolute and relative terms by comparing it with companies in the same sector and the same geographical area.

Each E, S and G pillar is scored from 1 to 5 (5 being the best score) based on at least ten relevant key indicators per pillar.

#### 1) Environmental pillar:

The analyst-manager:

- Assesses each component of this pillar: Emissions, Energy, Water, Waste, Biodiversity, based on the Lazard Frères Gestion materiality table;
- Analyses the severity of any controversies;
- Takes into account the absolute and relative rating of our external ESG partners in his/her assessment. Based on his/her fundamental knowledge of the company and in light of the material ESG indicators for its sector, the analyst-manager assigns a score for Pillar E.

#### 2) Social pillar:

The analyst-manager:

- Assesses each component of this pillar: Human Resources, Gender equality, Health and Safety, Relations with external third parties, based on the Lazard Frères Gestion materiality table;
- Analyses the severity of any controversies;
- Takes into account the absolute and relative rating of our external ESG partners in his/her assessment. Based on his/her fundamental knowledge of the company and in light of the material ESG indicators for its sector, the analyst-manager assigns a score for Pillar S.

#### 3) Governance pillar:

The analyst-manager:

- Assesses each component of this pillar: Shareholder structure, Board independence, Diversity, Roots, Multi-representation, Remuneration, based on the Lazard Frères Gestion materiality table;
- Analyses the severity of any controversies;
- Takes into account the service provider's absolute and relative score in his/her assessment. Based on his/her fundamental knowledge of the company and in light of the material ESG indicators for its sector, the analyst-manager assigns a score for Pillar G.

The issuer's overall ESG score summarises the scores for each pillar according to the following weighting: 30% for Environment, 30% for Social and 40% for Governance.

This rating system therefore takes into account the risks likely to affect the sustainability of companies, or "Sustainability Risks": regulatory, physical and reputational risks. These risks are assessed by monitoring of controversies, as well as by monitoring companies' main negative impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production), i.e. any environmental, social or governance event or situation that, if it occurs, could have an actual or potential negative impact on the value of the investment.

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

- 1) lower revenues,
- 2) higher costs,
- 3) damage to or impairment of the value of assets,
- 4) higher cost of capital,
- 5) fines or regulatory risks.

Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, stock picking and weighting. ESG criteria are considered according to a "Best in Universe" approach that consists in favouring the issuers with the best non-financial ratings, irrespective of their business sector.



Based on internal ESG analysis grids, the bond analyst-managers:

- Limit to 30% of the portfolio the share of investment grade issuers with a rating of three or less out of five.
- Limit to 50% of the portfolio the share of High Yield issuers with a rating of three or less out of five.
- Exclude issuers with a rating of two or less.

The information relating to the Principal Adverse Impacts on sustainability factors is published in the Sub-Fund's periodic SFDR reports.

Lazard Frères Gestion will specify by December 30th, 2022 how this product considers negative impacts on sustainability factors in the pre-contractual appendix provided for in the SFDR.

#### ESG analysis of sustainable bonds

The ESG analysis specific to green bonds is based on internal analysis tools specific to each issue, based on three pillars:

- The issuer's ESG profile and environmental strategy;
- Compliance with best practices defined in the Green Bond Principles (GBP): use of funds, project selection and assessment process, fund management and reporting;
- The level of opinion provided by the external review of an independent third party (Second Party Opinion, SPO), judging the quality of the green bond.

The ESG analysis of Social Bonds and Sustainability Bonds as defined by the Social Bond Principles (SBP) and the International Capital Market Association's (ICMA) Sustainability Bond Guidelines (SBG) is based on the same internal analysis tools as green bonds.

#### SRI management

The UCI is managed in accordance with the principles of the SRI label defined by the French Ministry of Economy and Finance. The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, stock picking and weighting. In the context of SRI management, the analysts/manager follow a "rating enhancement" approach by ensuring that an external ESG rating is maintained above that of a composite index composed of 90% ICE BofA Green Bond (GREN) + 10% ICE BofA Euro High Yield Index (HE00) after elimination of the worst 20%.

For the sake of integrity and objectivity, a second ESG selection process is implemented by the management team and is based on ratings provided by our partner Moody's ESG Solutions.

In order to emphasise the Sub-Fund's environmental dimension, the external ESG ratings of the Sub-Fund and the index correspond to the weighted average of the absolute E, S and G ratings provided by Moody's ESG Solutions, with the following weights: 50% for Environment, 25% for Social and 25% for Governance.

The proportion of issuers covered by the ESG analysis provided by Moody's ESG Solutions in the portfolio must be greater than 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).

The risk control department ensures compliance with this criterion.

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

- Environmental criterion:
  - o Carbon footprint
  - o Carbon reduction initiatives
- Social criterion:
  - o % of women in senior management positions

- Human rights criterion:
  - o % of signatories to the United Nations Global Compact

- Governance criterion:
  - o % of independent directors

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

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

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

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

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

The “Do No Harm” principle applies only to investments underlying the financial product that take into account the European Union’s criteria for environmentally sustainable economic activities.

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

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

## **2. Assets (excluding embedded derivatives) of the Sub-fund Lazard Global Green Bond Opportunities**

The Sub-Fund's portfolio comprises:

### Equities

- A maximum of 5% of the net assets in preference shares insofar as they may be considered deeply subordinated instruments with the following characteristics: rated investment grade by a ratings agency or an equivalent rating

by the management company; a fixed dividend comparable to accrued interest; perpetual debt likely to be called in by the issuer under specified conditions; sensitive to interest rates.

- A maximum of 5% of the net assets in ordinary shares. The Sub-Fund will not invest actively in equities but may hold equities if they derive from a debt restructuring, typically following an exchange of shares for debt. They may be of any market capitalisation (large market capitalisations of more than €10 billion, mid-market capitalisations of between €5 billion and €10 billion and small market capitalisations of between €0 billion and €5 billion), and without any predominant geographical area. The fund manager will do their best to sell the shares received as soon as possible and in any case over a period of less than three years, depending on market conditions with a view to optimising the exit price for the shareholders.

#### Debt securities and money market instruments:

- Green bonds: A minimum of 90%
- A maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any currency issued by companies, financial institutions, public entities and governments, rated investment grade by the rating agencies or an equivalent rating based on the management company's analysis.
- A maximum of 60% of the net assets in bonds and negotiable debt securities denominated in currencies other than the euro and the US dollar.
- A maximum of 10% of the net assets in convertible bonds.
- A maximum of 50% of the net assets in perpetual subordinated bonds, of which a maximum of 10% of the net assets in contingent convertible bonds (CoCos).
- A maximum of 30% of the net assets in speculative/high yield bonds with a minimum rating of B-/B3 by the rating agencies or an equivalent rating based on the management company's analysis.
- Debt securities and money market instruments issued by public or private entities, rated at least BBB-. They will be used for the purpose of managing the vehicle's cash flow.

#### Specific euro-denominated instruments

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

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

### **3. Derivatives of the Sub-fund Lazard Global Green Bond Opportunities**

#### • Types of markets:

- regulated
- organised
- OTC

#### • The manager intends to seek exposure to:

- equities
- interest rates
- currencies
- credit
- other : volatility

#### • Types of transactions – all transactions must be limited to achieving the investment objective:

- hedging
- exposure

arbitrage

other

• Type of instruments used:

futures:

equity and equity index

interest rate

currency

other

options:

equity and equity index

interest rate

currency

other

swaps:

equity swaps

interest rate swaps

currency swaps

performance swaps

currency forwards

credit derivatives

other

• Strategy of use of derivatives to achieve the investment objective:

partial or general hedging of the portfolio, some risks and securities

creating synthetic exposure to assets and risks

increasing exposure to the market without leverage

maximum permitted and sought

other strategy

#### 4. Securities with embedded derivatives of the Sub-fund Lazard Global Green Bond Opportunities

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

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

Total investments in securities with embedded derivatives may not exceed 100% of the net assets. Investments in contingent convertible bonds may not exceed 10% of the net assets.

#### 5. Deposits of the Sub-fund Lazard Global Green Bond Opportunities

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

## 6. Cash borrowings of the Sub-fund Lazard Global Green Bond Opportunities

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

## 7. Temporary purchases and sales of securities of the Sub-fund Lazard Global Green Bond Opportunities

None

## 8. Information on financial guarantees of the Sub-fund Lazard Global Green Bond Opportunities

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

## 9. Risk profile of the Sub-fund Lazard Global Green Bond Opportunities

### Disclaimer

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

### • Risk of capital loss

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

### • Interest rate risk

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

### • Credit risk

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

### • Foreign exchange risk

The Sub-fund may invest in securities and other UCI that in turn are authorised to acquire instruments denominated in currencies other than the fund's base currency. The value of these instruments may fall if the

exchange rates vary, which may lead to a decrease in the Sub-fund's net asset value. Where units (or shares) denominated in a currency other than the fund's base currency have been hedged, the foreign exchange risk is residual as a result of systematic hedging, potentially leading to a performance gap between the different units (or shares).

- **Derivative financial instrument risk**

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

- **Counterparty risk**

This type with one or more counterparties potentially exposes the Sub-fund to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the Sub-fund's net asset value.

- **Liquidity risk**

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

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

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

- **Risk related to overexposure:**

The Sub-fund may use forward financial instruments (derivatives) to generate overexposure and thus bring the Sub-fund's exposure above its net asset value. Depending on the transactions, the impact of a decrease (purchase of exposure) or increase (sale of exposure) in the derivative's underlying instrument may be amplified and thus amplify any decrease in the Sub-fund's net asset value.

- **Equity risk**

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

- **Sustainability risk**

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

- **ESG investment risk and methodological limitations**

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

## 10. Guarantee or protection of the Sub-fund Lazard Global Green Bond Opportunities

None

## 11. Eligible subscribers and typical investor profile of the Sub-fund Lazard Global Green Bond Opportunities

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

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

### Information on Russian and Belarusian investors

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

### Information on US investors:

The Sub-fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

### FATCA:

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the Sub-fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

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

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

This Sub-fund may not be suitable for investors planning to withdraw their contributions within 3 years.

## 12. Allocation of distributable income of the Sub-fund Lazard Global Green Bond Opportunities

Distributable income consists of:

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

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

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

|  |   |
|--|---|
| Share  |   |
| EC EUR , PVC EUR , PC EUR , RC EUR , RVC EUR | All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law                                  |
| PD EUR , RD EUR                              | Net income is distributed in full and the allocation of net realised capital gains is decided each year by the shareholders' meeting. It may pay interim dividends. |

### 13. Frequency of distribution of the Sub-fund Lazard Global Green Bond Opportunities

PVC EUR, PC EUR, EC EUR, RVC EUR and RC EUR shares: none

RD EUR and PD EUR shares: the dividend is paid out to holders of PD EUR shares once a year. Interim dividends may be paid.

### 14. Characteristics of the shares (base currency, division of shares, etc.) of the Sub-fund Lazard Global Green Bond Opportunities

|  |                |
|--|----------------|
| Share  |                |
| EC EUR, PVC EUR, PC EUR, RC EUR, RVC EUR, PD EUR, RD EUR | EUR            |
| Share  | Division       |
| EC EUR, PVC EUR, PC EUR, RC EUR, RVC EUR, PD EUR, RD EUR | In thousandths |

### 15. Terms and conditions of subscription and redemption of the Sub-fund Lazard Global Green Bond Opportunities

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

#### Date and frequency of NAV calculation

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

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

Where and how to find out the net asset value: the net asset value is published Daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

#### Address of the institutions designated to receive subscription and redemption orders



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

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

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

Orders are executed as indicated in the table below

| Business day   | Day on which NAV is set (d)       | The business day following the valuation day (D+1) | Two business days following the valuation day (D+2) | Two business days following the valuation day (D+2) |
|--|-----------------------------------|--|---|---|
| Daily order reception and Daily centralisation of redemption orders before 12:00 p.m. (Paris time) | Order executed by the latest on d | Publication of the net asset value                 | Settlement of subscription                          | Settlement of redemptions                           |

**Note:**

Definitive suspension of subscriptions for EC EUR shares as soon as the number of outstanding shares exceeds 100,000.

Once the final suspension has been implemented, only subscriptions preceded by a redemption made on the same day for the same number of shares, at the same net asset value and by the same shareholder may be transmitted.

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

**Redemption gate mechanism:**

The management company may implement a gate mechanism to spread investors' redemption requests of the Sub-fund over several net asset values if they exceed a set threshold, when exceptional circumstances so require and if the interests of investors or the public so require.

Description of the mechanism:

The management company may decide not to execute all redemptions at the same net asset value, when the objectively predetermined threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency of calculation of the net asset value of the Sub-fund, the Sub-fund management strategy and the liquidity of the assets in the portfolio.

For the Sub-fund, the cap on redemptions may be applied by the management company when the threshold of 10% of net assets is reached.

As the sub-fund has several share categories, the trigger level will be the same for all share categories of the sub-fund. This threshold of 10% applies to centralised redemptions for the whole of the UCI's assets and not specifically to the share categories of the sub-fund.

The gate trigger level is the ratio between:

- the difference recorded, on the same centralisation date, between the number of shares of the sub-fund for which redemption is requested or the total amount of these redemptions, and the number of shares of the sub-

fund for which subscription is requested or the total amount of these subscriptions; and  
 - the net assets of the sub-fund or the total number of shares in the sub-fund.

Where redemption requests exceed the gate trigger threshold, the Sub-fund may, however, decide to honour redemption requests in excess of the threshold, and thus partially or fully execute any orders that might be blocked.

For example, if total redemption requests of shares represent 20% of net assets of the Sub-fund while the trigger threshold is set at 10% of net assets, the Sub-fund may decide to honour redemption requests up to 16% of net assets (and thus execute 80% of redemption requests).

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 1 month.

Procedures for informing unitholders:

In the event the redemption gate is activated, investors of the Sub-fund will be informed by any means from the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

Investors of the Sub-fund whose redemption orders have not been executed will be informed specifically as soon as possible.

Processing of unexecuted orders:

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for holders of the Sub-fund who have requested a redemption at the same net asset value.

Redemption orders so deferred will not have priority over subsequent redemption requests. Redemption orders that are not executed and automatically deferred may not be revoked by the holders of the Sub-fund.

Exemption from the gate mechanism:

Subscriptions and redemptions for the same number of shares, on the basis of the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to gates. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

**16. Fees and expenses of the Sub-fund Lazard Global Green Bond Opportunities**

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

| Charges payable by the investor during subscription and redemption | Basis                  | Share  | Rate (maximum incl. taxes) |
|--|------------------------|--|----------------------------|
| Subscription fees not retained by the Sub-fund                     | NAV x number of shares | EC EUR, PVC EUR, PC EUR, RC EUR, RVC EUR, PD EUR, RD EUR | 2.0%                       |
| Subscription fees retained by the Sub-fund                         | NAV x number of shares | EC EUR, PVC EUR, PC EUR, RC EUR, RVC EUR, PD EUR, RD EUR | 0.0%                       |

|  |                        |  |      |
|--|------------------------|--|------|
| Redemption fees not retained by the Sub-fund | NAV x number of shares | EC EUR, PVC EUR, PC EUR, RC EUR, RVC EUR, PD EUR, RD EUR | 0.0% |
| Redemption fees retained by the Sub-fund     | NAV x number of shares | EC EUR, PVC EUR, PC EUR, RC EUR, RVC EUR, PD EUR, RD EUR | 0.0% |

| Expenses charged to the Sub-fund   | Basis                              | Share                                  | Rate (maximum incl. taxes)     |  |
|--|------------------------------------|--|--------------------------------|--|
| Financial management fees  | Net assets                         | EC EUR                                 | 0.35%                          |  |
|  |                                    | PVC EUR                                | 0.35%                          |  |
|  |                                    | PC EUR                                 | 0.55%                          |  |
|  |                                    | RC EUR                                 | 1.10%                          |  |
|  |                                    | RVC EUR                                | 0.70%                          |  |
|  |                                    | PD EUR                                 | 0.55%                          |  |
|  |                                    | RD EUR                                 | 1.10%                          |  |
| Operating costs and other services   | Net assets                         | Applied to all the shares              | 0.035%                         |  |
| Indirect charges   | N.A                                | Applied to all the shares              | None                           |  |
| Turnover commission (incl. taxes) (0 to 100% received by the management company and 0 to 100% received by the custodian) | Maximum charge on each transaction | Applied to all the shares              | Bonds, foreign exchange        | None                                     |
|  |                                    |  | Futures and other transactions | From €0 to €450 incl. taxes per contract |
| Performance fees   | Net assets                         | EC EUR, PC EUR, RC EUR, PD EUR, RD EUR | None                           |  |
|  |                                    | PVC EUR, RVC EUR                       |                                |  |

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

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

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

#### **Calculation method**

The calculation of the amount of the performance fee is based on a comparison between the performance of each

share of the Sub-fund and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual Fund. The outperformance generated by the Sub-fund's share on a given date is defined as the positive difference between the assets of the Fund's 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 periodAs 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 16/08/2022. At the end of each financial year, one of the following two cases may occur:

- The share of the Sub-fund 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 share of the Sub-fund outperformed over the observation period. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

### Provisioning

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

### Crystallisation

The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months. The first crystallisation period will end on the last day of the financial year ending on 30/09/2023.

The performance fee is deducted even in the event of a negative performance of the Sub-fund.

### ILLUSTRATION: GENERAL CASE WITHOUT CHARGE WHEN PERFORMANCE IS NEGATIVE

|   | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|--------|--------|--------|--------|--------|
| Performance of the shares of the Sub-fund                                     | 10%    | -4%    | -7%    | 6%     | 3%     |
| Performance of reference indicator  | 5%     | -5%    | -3%    | 4%     | 0%     |
| Outperformance/<br>Underperformance   | 5%     | 1%     | -4%    | 2%     | 3%     |
| Cumulative performance of the Sub-fund over the observation period            | 10%    | -4%    | -7%    | -1%    | 2%     |
| Cumulative performance of the reference indicator over the observation period | 5%     | -5%    | -3%    | 1%     | 1%     |

|   |  |  |   |  |  |
|---|--|--|---|--|--|
| Cumulative outperformance/<br>underperformance over the<br>observation period | 5%   | 1%   | -4%   | -2%  | 1%   |
| Commission charged?   | Yes  | Yes  | No, because<br>the Sub-fund<br>underperformed the reference<br>indicator        | No, because<br>the Sub-fund<br>has<br>underperformed over the<br>entire current<br>observation<br>period, which<br>began in year 3 | Yes  |
| Start of new observation<br>period?   | Yes, a<br>new<br>observa-<br>tion<br>period<br>begins in<br>year 2 | Yes, a<br>new<br>observa-<br>tion<br>period<br>begins in<br>year 3 | No, the<br>observation<br>period is<br>extended to<br>include years 3<br>and 4* | No, the<br>observation<br>period is<br>extended to<br>include years 3,<br>4 and 5  | Yes, a<br>new<br>observa-<br>tion<br>period<br>begins in<br>year 6 |

Note: To make the example easier to understand, we have indicated here the performance of the Sub-fund and the reference indicator in percentages. In practice, the outperformance/underperformance will be measured in amount, by the difference between the net assets of the Sub-fund and those of a notional fund as described in the methodology above. The performance fee may be capped in accordance with the provisions of the prospectus. \* From this year on, the Sub-fund must offset, over the next five years, this underperformance, as well as the underperformances that already had to be made up before further charges are made.

**ILLUSTRATION: TREATMENT OF PERFORMANCES NOT OFFSET BEYOND FIVE YEARS - EXAMPLE:**

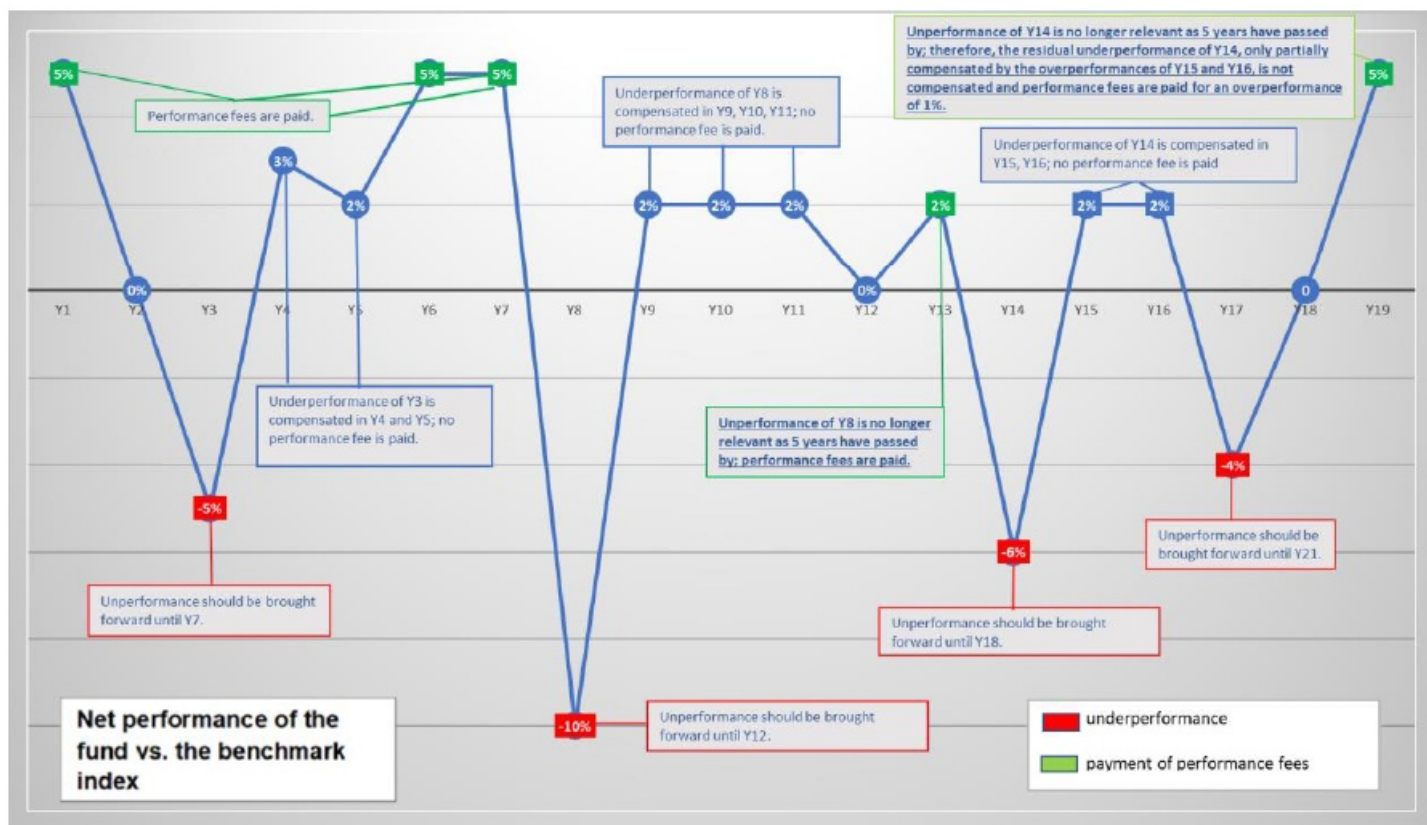
| Year<br>(Closing<br>data) | Yield of the<br>asset<br>valued in<br>quantity | Yield of the<br>benchmark<br>asset in<br>quantity | Net yield<br>(Comparison<br>between the<br>Subfund's valued<br>assets and the<br>Benchmark value,<br>as described<br>below) | Underperfor<br>mance to be<br>offset the<br>following<br>year | Performanc<br>e fees? | Comments   |
|---------------------------|--|---|---|---|-----------------------|--|
| Year 1                    | 10   | 5   | Outperformance:<br>+5<br>Calculation : 10 - 5   | -   | Yes                   | (5 X 20%)  |
| Year 2                    | 5  | 5   | Yield net: 0<br>Calculation : 5 - 5   | -   | No                    |  |
| Year 3                    | 3  | 8   | Underperformance<br>: -5<br>Calculation : 3 - 8   | -5  | No                    | The<br>underperfor<br>mance must<br>be moved<br>forward until<br>year 7. |

|         |     |    |   |                 |     |   |
|---------|-----|----|---|-----------------|-----|---|
| Year 4  | 4   | 1  | Outperformance:<br>+3<br>Calculation : 4 - 1      | -2<br>(-5 + 3)  | No  |   |
| Year 5  | 2   | 0  | Outperformance:<br>+2<br>Calculation : 2 - 0      | 0<br>(-2 + 2)   | No  | Underperformance of<br>year 3 offset                            |
| Year 6  | -1  | -6 | Outperformance:<br>+5<br>Calculation: -1 - (-6)   | -               | Yes | (5 X 20%)   |
| Year 7  | 4   | -1 | Outperformance:<br>+5<br>Calculation: 4 - (-1)    | -               | Yes | (5 X 20%)   |
| Year 8  | -10 | 0  | Underperformance<br>: -10<br>Calculation: -10 - 0 | -10             | No  | The underperformance must<br>be moved forward until<br>year 12. |
| Year 9  | -1  | -3 | Outperformance:<br>+2<br>Calculation: -1 - (-3)   | -8<br>(-10 + 2) | No  |   |
| Year 10 | -5  | -7 | Outperformance:<br>+2<br>Calculation: -5 - (-7)   | -6<br>(-8 + 2)  | No  |   |
| Year 11 | 0   | -2 | Outperformance:<br>+2<br>Calculation: 0 - (-2)    | -4<br>(-6 + 2)  | No  |   |

|         |   |   |  |                 |     |   |
|---------|---|---|--|-----------------|-----|---|
| Year 12 | 1 | 1 | Yield net: +0<br>Calculation: 1 - 1            | -4              | No  | The underperformance of year 12 that must be moved forward to the following year (year 13) is 0 (and not -4), given that the residual underperformance from year 8, which has not yet been offset (-4), is no longer relevant, as a five-year period has past (the underperformance of year 8 is offset until year 12). |
| Year 13 | 4 | 2 | Outperformance:<br>+2<br>Calculation: 4 - 2    | -               | Yes | (2 X 20%)   |
| Year 14 | 1 | 7 | Underperformance<br>: -6<br>Calculation: 1 - 7 | -6              | No  | The underperformance must be moved forward until year 18.   |
| Year 15 | 6 | 4 | Outperformance:<br>+2<br>Calculation: 6 - 4    | -4<br>(-6 + 2)  | No  |   |
| Year 16 | 5 | 3 | Outperformance:<br>+2<br>Calculation: 5 - 3    | -2<br>(-4 + 2)  | No  |   |
| Year 17 | 1 | 5 | Underperformance<br>: -4<br>Calculation: 1 - 5 | -6<br>(-2 + -4) | No  | The underperformance must be moved forward until year 21.   |

|         |   |   |   |               |     |   |
|---------|---|---|---|---------------|-----|---|
| Year 18 | 3 | 3 | Yield net: 0<br>Calculation: 3 - 3          | -4            | No  | The underperformance of year 18 that must be advanced to the following year (year 19) is 4 (and not -6), given the residual underperformance from year 14, which has not yet been offset (-2), is no longer relevant, as a five-year period has passed (the underperformance of year 14 is offset until year 18). |
| Year 19 | 7 | 2 | Outperformance:<br>+5<br>Calculation: 7 - 2 | 1<br>(-4 + 5) | Yes | Underperformance of year 18 offset (1 X 20%)  |





The above example is provided purely for illustration and in no way constitutes a projection of the Fund's future performance.

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

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

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

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

## 17. Outline of the counterparty selection procedure of the Sub-fund Lazard Global Green Bond Opportunities

The intermediaries used in fixed-income management are selected using a range of evaluation criteria:

- Quality of order execution and negotiated prices;
- Quality of operational service in processing orders;
- Coverage of information when monitoring markets;
- Quality of macroeconomic and financial research.

The fixed-income managers report at least twice a year to the management company's Broker Committee, with an assessment of the services provided by the various brokers and a breakdown of transaction volumes. The Broker Committee approves any updates to the list of authorised brokers.

## **SUB-FUND Lazard Human Capital**

### **GENERAL FEATURES OF THE SUB-FUND LAZARD HUMAN CAPITAL**

#### **1. Features of the Sub-fund Lazard Human Capital**

| Characteristics of shares                              |   |
|--|---|
| Share PC EUR   | FR0014009F48  |
| Share PD EUR   | FR0014009F55  |
| Share EC EUR   | FR0014009F63  |
| Share ED EUR   | FR0014009F71  |
| Share RC EUR   | FR0014009F89  |
| Share MC EUR   | FR001400MM46  |
| Nature of the rights attached to the Sub-fund's shares | Each shareholder has an ownership right in and to the assets of the Sub-fund in proportion to the number of shares owned.   |
| Voting rights attached to the Sub-fund's shares        | Each shareholder is entitled to one vote for each share held.   |
| Form of shares   | Bearer or administered registered at the unitholder's discretion.<br>The Sub-fund is listed with Euroclear France.  |
| Fractional or whole shares                             | The Sub-fund's shares may be subscribed for and/or redeemed in whole number or can be splitted (see details in section 14. Features of the shares).                                     |
| Financial year end                                     | Last valuation day in September.  |
| First financial year end                               | Last valuation day in September 2023.   |
| Taxation   | The Sub-fund is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses. |

### **OTHER SPECIFICATIONS OF THE SUB-FUND LAZARD HUMAN CAPITAL**

|                |                        |
|----------------|------------------------|
| Fund of fund   | None                   |
| Classification | International equities |

|                      |  |   |
|----------------------|--|---|
| Investment objective | Share PC EUR, Share PD EUR, Share EC EUR, Share ED EUR, Share RC EUR, Share MC EUR | <p>The investment objective of the Sub-fund is to outperform, by applying a Socially Responsible Investment (SRI) management approach, the benchmark index, the MSCI World Index of developed markets, net of fees, over the recommended investment period of 5 years, by investing in companies that provide solutions to sustainable development issues and stand out for the quality of their Human Capital management: i.e. the process implemented by the company to train, transmit knowledge, motivate, retain and recruit its employees according to its needs as part of its development strategy. However, due to the reduction of the investment universe by the manager, the performance of the UCI may diverge from this benchmark index. The management of the Sub-fund ensures that the companies selected do not harm other environmental and social criteria and that they have good governance principles (ESG). The Sub-fund is analysed according to a dual materiality principle: the manager, supported by Lazard Frères Gestion’s ESG specialists, analyses the risks linked to poor Human Capital management and seeks to leverage the opportunities generated by the companies with the best social practices on five indicators: the number of training hours per employee per year, the percentage of women in senior management, the annual staff turnover rate, the involvement of management in employee training on diversity-related topics, the extent of the allocation of social benefits. The companies selected are systematically identified as the best on at least one indicator. The extra-financial analysis of this Sub-fund promotes corporate social practices through a policy of engagement and a policy of voting at general meetings. An internal Human Capital score assesses the overall Human Capital performance of the stocks on a quarterly basis.</p> |
| Benchmark indicator  | Share PC EUR, Share PD EUR, Share EC EUR, Share ED EUR, Share RC EUR, Share MC EUR | <p>MSCI World</p> <p>The MSCI World index measures the overall performance of the market in OECD-country equities. It is weighted by its constituent companies’ market capitalisation. Data is available on the website: <a href="http://www.msci.com">www.msci.com</a></p> <p>Bloomberg code: MSDEWIN Index</p>  |

## 1. Strategies used of the Sub-fund Lazard Human Capital

### Integration of Human Capital into investment management

At least 90% of the portfolio’s net assets shall be invested in international shares. At least 90% of the portfolio’s net assets will be invested in large cap equities (above \$10 billion) listed in developed countries as defined by the MSCI World and a maximum of 10% of the net assets in small and mid cap equities (below \$10 billion) listed in developed countries as defined by the MSCI World.

1. To define a reduced investment universe, we apply the human capital filter based on five criteria and select the best-ranked companies on at least one of the following indicators:

Three quantitative indicators:

- The number of training hours per employee per year: education indicator.

Companies are ranked according to the average number of hours provided per employee. The higher the average number of hours, the better the company is considered to be.

- The percentage of women in senior management: equality indicator.

Companies are ranked according to the percentage of women in senior management positions. The higher the percentage, the better the company is considered to be.

- Annual staff turnover rate: satisfaction indicator.

Companies are ranked according to their staff turnover rate. The lower the rate, the better the company is considered to be.

Two qualitative indicators provided by our extra-financial partner (MSCI ESG Manager):

- Management's involvement in employee training on diversity-related topics: diversity indicator.

Companies are classified into five categories, the most demanding of which corresponds to the strict definition of our external service provider: "Employee training on diversity policy, supported by senior executive or higher level of oversight on diversity performance".

- The extent of the allocation of social benefits: social protection indicator.

Companies are classified into four categories, the most demanding of which corresponds to the strict definition of our external service provider: "Benefits cover all employees".

In accordance with a "Best in Universe" approach, companies are included in the universe only if they are among the top 10% on quantitative indicators or if MSCI ESG Manager awards them the highest level on qualitative indicators, described by a sentence.

2. We then ensure that the companies selected at this stage do not harm other environmental and social criteria and that they have good governance practices. To do this, a filter is applied, excluding the companies with the lowest environmental, social and governance ratings, based on the ratings of an extra-financial data provider (CCC or B from our extra-financial partner, MSCI ESG Manager).

The selection process for sustainable investments with a social objective within the meaning of Article 2(17) of the SFDR Regulation as described above covers 100% of the securities selected (excluding cash held for prudential or regulatory reasons).

3. From this reduced universe, we eliminate the 20% worst-rated stocks based on our Internal Human Capital Score to obtain our investment universe.

To calculate this score, we use the gross indicators of the external service provider MSCI, which we supplement and update with data obtained from engagement with companies. These indicators are aggregated into a score between 0 and 10, based on a scale defined by the fund manager and the ESG analysts. The overall Human Capital score is obtained from an equally weighted average of the scores on each indicator.

This score then allows us to reduce the starting universe by 20% to arrive at the final investment universe.

We first established a score on each indicator, the overall Human Capital score is obtained from an equally weighted average of the scores on each of the 5 indicators. While a stock enters the investment universe on only one of the indicators, the reduction of the starting universe to the final investable universe is done by taking into account the company's performance on all five indicators. Following this final exclusion stage, we have the final

investment universe.

Some portfolio companies may have ESG practices that could be improved and/or be exposed to certain sectors where environmental, social or governance issues remain significant. However, the extent and manner in which sustainable investment issues and risks are integrated into its strategy vary depending on factors such as the asset class, the geographic area and the financial instruments used.

### Incorporation of ESG criteria

We carry out fundamental and financial analysis of companies to select stocks for the portfolio. At this stage, we integrate our internal ESG rating, built from data provided by external providers, into our valuation models. This internal rating is detailed below. Based on the various data provided by our ESG partners (extra-financial analysis agencies), the companies' annual reports, sustainability reports and direct exchanges with them, the analysts responsible for monitoring each stock establish an internal ESG score.

This score is based on quantitative indicators (such as CO2 intensity, staff turnover rate, board independence rate, etc.) and qualitative indicators (such as the existence and solidity of the environmental policy, the existence of an equal opportunity policy, management remuneration policy, etc.).

The analyst-manager assesses these data for each company in absolute and relative terms by comparing it with companies in the same sector and the same geographical area.

Each E, S and G pillar is scored from 1 to 5 (5 being the best score) based on at least ten relevant key indicators per pillar.

#### **1) Environmental pillar:**

The analyst-manager:

- Assesses each component of this pillar: Emissions, Energy, Water, Waste, Biodiversity, based on the Lazard Frères Gestion materiality table;
- Analyses the severity of any controversies;
- Takes into account the absolute and relative rating of our external ESG partners in his/her assessment.

Based on his/her fundamental knowledge of the company and in light of the material ESG indicators for its sector, the analyst-manager assigns a score for Pillar E.

#### **2) Social pillar:**

The analyst-manager:

- Assesses each component of this pillar: Human Resources, Gender equality, Health and Safety, Relations with external third parties, based on the Lazard Frères Gestion materiality table;
- Analyses the severity of any controversies;
- Takes into account the absolute and relative rating of our external ESG partners in his/her assessment. Based on his/her fundamental knowledge of the company and in light of the material ESG indicators for its sector, the analyst-manager assigns a score for Pillar S.

#### **3) Governance pillar:**

The analyst-manager:

- Assesses each component of this pillar: Shareholder structure, Board independence, Diversity, Roots, Multi-representation, Remuneration, based on the Lazard Frères Gestion materiality table;
- Analyses the severity of any controversies;
- Takes into account the service provider's absolute and relative score in his/her assessment.

Based on his/her fundamental knowledge of the company and in light of the material ESG indicators for its sector, the analyst-manager assigns a score for Pillar G.

The company's overall ESG rating summarises the scores for each pillar according to the following weighting: 30% for Environment, 30% for Social and 40% for Governance.

ESG ratings are directly built into the financial valuation model via the Beta used in the Capital Asset Pricing Model (CAPM) to define the weighted average cost of capital (WACC). Under Lazard Frères Gestion's proprietary methodology, the Beta of a stock is not the Beta observed over the past year but a Beta calculated according to an assessment grid comprising the following factors:

- Cyclicity of the company's business (30%);
- Compliance with ESG criteria (20%) quantified by the internal ESG rating;
- Financial leverage (20%);
- Product mix (10%);
- Geographical mix (10%);
- Operating leverage (10%).

This rating system therefore takes into account the risks likely to affect the sustainability of companies, or Sustainability Risks: regulatory, physical and reputational risks. These risks are assessed by monitoring of controversies, as well as by monitoring companies' main negative impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production), i.e. any environmental, social or governance event or situation that, if it occurs, could have an actual or potential negative impact on the value of the investment.

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

- 1) lower revenues,
- 2) higher costs,
- 3) damage to or impairment of the value of assets,
- 4) higher cost of capital,
- 5) fines or regulatory risks.

Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

The information relating to the Principal Adverse Impacts on sustainability factors is published in the periodic SFDR reports of the UCI.

#### SRI management

The Sub-Fund is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. The inclusion of ESG criteria influences the analysis of companies held in the portfolio, stock picking and weighting. The initial universe for Lazard Human Capital is the MSCI World Index of developed markets. In order to meet the SRI label management criteria, the analyst-managers ensure that the fund's average ESG rating is higher than the average ESG rating of the initial investment universe.

This ESG rating is calculated after excluding 20% of the lowest-rated stocks. For the sake of integrity and objectivity, the ratings used for SRI management are produced by an independent external partner. The proportion of issuers covered by an ESG analysis in the portfolio and the benchmark index/universe 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).

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

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

- Climate change mitigation,
- Climate change adaptation,
- Sustainable use and protection of water and marine resources,

- Transition to the circular economy (waste, prevention and recycling),
- Pollution prevention and control,
- Protection of healthy ecosystems.

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

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

The “Do No Harm” principle applies only to investments underlying the financial product that take into account the European Union’s criteria for environmentally sustainable economic activities.

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

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

## 2. Assets (excluding embedded derivatives) of the Sub-fund Lazard Human Capital

### Equities:

The portfolio is composed of:

- At least 90% of the net assets in equities of large caps listed in developed countries as defined by the MSCI World index.
- A maximum of 10% of the net assets in equities of small and mid caps listed in developed countries as defined by the MSCI World index.

### Negotiable debt securities and money-market instruments:

French and US negotiable debt securities with an investment grade rating (rated as such by the rating agencies) or an equivalent rating based on the management company’s analysis (up to a maximum of 10% of the net assets).

In the event of a rating downgrade, the management company will conduct its own analysis of the negotiable debt securities without relying exclusively and automatically on the agencies’ ratings.

### UCIs:

The Sub-fund may invest up to 10% of its assets in units or shares of European UCITS or UCIs meeting the four criteria defined by Article R 214-13 of the French Monetary and Financial Code (COMOFI).

These UCIs may be managed by the management company.

### 3. Derivatives of the Sub-fund Lazard Human Capital

- Types of markets:

- regulated
- organised
- OTC

- The manager intends to seek exposure to:

- equities
- interest rates
- currencies
- credit
- other risks

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

- hedging
- exposure
- arbitrage
- other

- Type of instruments used:

- futures:

- equity and equity index
- interest rate
- currency
- other

- options:

- equity and equity index
- interest rate
- currency
- other

- swaps:

- equity swaps
- interest rate swaps
- currency swaps
- performance swaps

- currency forwards

- credit derivatives
- other

- Strategy of use of derivatives to achieve the investment objective:

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

### 4. Securities with embedded derivatives of the Sub-fund Lazard Human Capital



None

## 5. Deposits of the Sub-fund Lazard Human Capital

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

## 6. Cash borrowings of the Sub-fund Lazard Human Capital

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

## 7. Temporary purchases and sales of securities of the Sub-fund Lazard Human Capital

None

## 8. Information on financial guarantees of the Sub-fund Lazard Human Capital

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

## 9. Risk profile of the Sub-fund Lazard Human Capital

### Disclaimer

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

### • Risk of capital loss

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

### • Risk related to discretionary management

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

### • Equity risk

Share price fluctuations may have a negative impact on the Sub-fund's net asset value. The Sub-fund's net

asset value may decrease during periods in which the equity markets are falling.

- **Market capitalisation risk**

The volume of small- and mid-cap stocks traded on the stock market is lower than that of large caps, which means they can be more significantly impacted by market movements than large caps. The Sub-fund's net asset value may decline quickly and sharply.

- **Liquidity risk**

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

- **Foreign exchange risk**

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

- **Derivative financial instrument risk**

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

- **Counterparty risk**

This type with one or more counterparties potentially exposes the Sub-fund to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the Sub-fund's net asset value.

- **Interest rate risk**

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

- **Credit risk**

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

- **Sustainability risk**

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

## 10. Guarantee or protection of the Sub-fund Lazard Human Capital

None

## 11. Eligible subscribers and typical investor profile of the Sub-fund Lazard Human Capital

Any subscriber seeking exposure to international equity risk.

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

### **Information on Russian and Belarusian investors**

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

### **Information on US investors:**

The Sub-fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

### **FATCA:**

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the Sub-fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

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

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

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

## **12. Allocation of distributable income of the Sub-fund Lazard Human Capital**

Distributable income consists of:

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

2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial

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

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

|                                      |   |
|--------------------------------------|---|
| Share                                |   |
| PC EUR , EC EUR ,<br>RC EUR , MC EUR | All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law                                  |
| PD EUR , ED EUR                      | Net income is distributed in full and the allocation of net realised capital gains is decided each year by the shareholders' meeting. It may pay interim dividends. |

### 13. Frequency of distribution of the Sub-fund Lazard Human Capital

PC EUR, RC EUR, EC EUR and MC EUR shares: None, accumulation shares.

PD EUR and ED EUR shares: the dividend is distributed once a year following the Shareholders' Meeting convened to approve the accounts of the financial year just ended. Interim dividends may be paid.

### 14. Characteristics of the shares (base currency, division of shares, etc.) of the Sub-fund Lazard Human Capital

|  |                    |
|--|--------------------|
| Share  |                    |
| PC EUR, PD EUR, EC EUR, ED EUR, RC EUR, MC EUR | EUR                |
| Share  | Division           |
| PC EUR, PD EUR, EC EUR, ED EUR, RC EUR         | In thousandths     |
| MC EUR   | In ten-thousandths |

### 15. Terms and conditions of subscription and redemption of the Sub-fund Lazard Human Capital

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

#### Date and frequency of NAV calculation

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

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

Where and how to find out the net asset value: the net asset value is published Daily in the offices of LAZARD FRERES GESTION SAS and on the internet [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

#### Address of the institutions designated to receive subscription and redemption orders

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

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

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

orders to the institution referred to above.

LAZARD FRERES BANQUE - 175 boulevard Haussmann - 75008 Paris

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

Orders are executed as indicated in the table below

| Business day   | Day on which NAV is set (d)       | The business day following the valuation day (D+1) | Two business days following the valuation day (D+2) | Two business days following the valuation day (D+2) |
|--|-----------------------------------|--|---|---|
| Daily order reception and Daily centralisation of redemption orders before 12:00 p.m. (Paris time) | Order executed by the latest on d | Publication of the net asset value                 | Settlement of subscription                          | Settlement of redemptions                           |

**Note:**

Definitive suspension of subscriptions for EC EUR shares as soon as the number of outstanding shares exceeds 75,000.

Definitive suspension of subscriptions for ED EUR shares as soon as the number of outstanding shares exceeds 75,000.

Once the final suspension has been implemented, only subscriptions preceded by a redemption made on the same day for the same number of shares, at the same net asset value and by the same shareholder may be transmitted.

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

**Redemption gate mechanism:**

The management company may implement a gate mechanism to spread investors' redemption requests of the Sub-fund over several net asset values if they exceed a set threshold, when exceptional circumstances so require and if the interests of investors or the public so require.

Description of the mechanism:

The management company may decide not to execute all redemptions at the same net asset value, when the objectively predetermined threshold is reached on a net asset value. To determine the level of this threshold, the management company takes into account the frequency of calculation of the net asset value of the Sub-fund, the Sub-fund management strategy and the liquidity of the assets in the portfolio.

For the Sub-fund, the cap on redemptions may be applied by the management company when the threshold of 10% of net assets is reached.

As the sub-fund has several share categories, the trigger level will be the same for all share categories of the sub-fund. This threshold of 10% applies to centralised redemptions for the whole of the UCI's assets and not specifically to the share categories of the sub-fund.

The gate trigger level is the ratio between:

- the difference recorded, on the same centralisation date, between the number of shares of the sub-fund for which redemption is requested or the total amount of these redemptions, and the number of shares of the sub-fund for which subscription is requested or the total amount of these subscriptions; and
- the net assets of the sub-fund or the total number of shares in the sub-fund.

Where redemption requests exceed the gate trigger threshold, the Sub-fund may, however, decide to honour redemption requests in excess of the threshold, and thus partially or fully execute any orders that might be blocked.

For example, if total redemption requests of shares represent 20% of net assets of the Sub-fund while the trigger threshold is set at 10% of net assets, the Sub-fund may decide to honour redemption requests up to 16% of net assets (and thus execute 80% of redemption requests).

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 1 month.

Procedures for informing unitholders:

In the event the redemption gate is activated, investors of the Sub-fund will be informed by any means from the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

Investors of the Sub-fund whose redemption orders have not been executed will be informed specifically as soon as possible.

Processing of unexecuted orders:

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for holders of the Sub-fund who have requested a redemption at the same net asset value.

Redemption orders so deferred will not have priority over subsequent redemption requests. Redemption orders that are not executed and automatically deferred may not be revoked by the holders of the Sub-fund.

Exemption from the gate mechanism:

Subscriptions and redemptions for the same number of shares, on the basis of the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to gates. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

## 16. Fees and expenses of the Sub-fund Lazard Human Capital

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

| Charges payable by the investor during subscription and redemption | Basis                  | Share  | Rate (maximum incl. taxes) |
|--|------------------------|--|----------------------------|
| Subscription fees not retained by the Sub-fund                     | NAV x number of shares | PC EUR, PD EUR, EC EUR, ED EUR, RC EUR         | 2.0%                       |
|  |                        | MC EUR   | 0.0%                       |
| Subscription fees retained by the Sub-fund                         | NAV x number of shares | PC EUR, PD EUR, EC EUR, ED EUR, RC EUR, MC EUR | 0.0%                       |
| Redemption fees not retained by the Sub-fund                       | NAV x number of shares | PC EUR, PD EUR, EC EUR, ED EUR, RC EUR, MC EUR | 0.0%                       |
| Redemption fees retained by the Sub-fund                           | NAV x number of shares | PC EUR, PD EUR, EC EUR, ED EUR, RC EUR, MC EUR | 0.0%                       |

| Expenses charged to the Sub-fund   | Basis                              | Share  | Rate (maximum incl. taxes)                 |              |
|--|------------------------------------|--|--|--------------|
| Financial management fees  | Net assets                         | PC EUR   | 1.10%                                      |              |
|  |                                    | PD EUR   | 1.10%                                      |              |
|  |                                    | EC EUR   | 0.50%                                      |              |
|  |                                    | ED EUR   | 0.50%                                      |              |
|  |                                    | RC EUR   | 2.20%                                      |              |
|  |                                    | MC EUR   | 0.05%                                      |              |
| Operating costs and other services   | Net assets                         | Applied to all the shares                      | 0.035%                                     |              |
| Indirect charges   | N.A                                | Applied to all the shares                      | None                                       |              |
| Turnover commission (incl. taxes) (0 to 100% received by the management company and 0 to 100% received by the custodian) | Maximum charge on each transaction | Applied to all the shares                      | Equities, currencies and other instruments | De 0 à 0,20% |
| Performance fees   | Net assets                         | PC EUR, PD EUR, EC EUR, ED EUR, RC EUR, MC EUR | None                                       |              |

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

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

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

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

## 17. Outline of the counterparty selection procedure of the Sub-fund Lazard Human Capital

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

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

These intermediaries are used exclusively in terms of inflows relating to equities. Lazard Frères Gestion’s Broker Committee ratifies all decisions to authorise new intermediaries.

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

## IV - SALES AND MARKETING INFORMATION

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

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

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

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

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

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

## V - INVESTMENT RULES

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

## VI - AGGREGATE RISK

The calculation method used by the Lazard Euro Short Duration High Yield, Lazard Well-Being, Lazard Euro Credit SRI, Lazard Credit 2028, Lazard High Yield 2029, Lazard Green Capital and Lazard Human Capital Sub-funds is the commitment calculation method.

The aggregate risk of the Lazard Credit Opportunities and Lazard Global Green Bond Opportunities Sub-funds is calculated as the absolute VaR, as defined in Article 411-77 et seq. of the General Regulation of the French financial markets authority (Autorité des Marchés Financiers - AMF). The absolute VaR corresponds to the potential loss in 99% of cases over a horizon of 20 working days under normal market conditions. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.



### 1. ASSET VALUATION RULES

---

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

The valuation rules may be specific for dated UCIs/Sub-Funds. During the subscription period, the UCI/Sub-Fund will be valued at the purchase price (Ask) and from the time the UCU/Sub-Fund closes at the sale price (Bid).

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

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

- **Fixed-income securities**

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

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

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

Financial instruments whose prices have not been determined on the valuation date or whose prices have been adjusted are valued at their probable trading price under the responsibility of the shareholders' meeting.

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

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

- o **Negotiable debt securities:**

Negotiable debt securities are marked to market based on either Bloomberg prices (BVAL and/or BGN)<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.

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

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

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

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

- **Futures and options**

- Futures and options are valued on the basis of intraday trading prices the timing of which is based on that of the

valuation of the underlying assets.

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

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

Products traded on a non-regulated market are valued on a marked-to-market basis via conventional valuation models.

### **1.3. Valuation methods for off-balance sheet commitments**

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

## **2. ACCOUNTING POLICIES**

---

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

### **• Income from fixed-income securities**

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

### **• Management fees**

- Management fees are calculated on each valuation day.

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

Gross assets

x operating and management fees rate

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

365 (or 366 in a leap year)

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

- The SICAV pays the operating fees, which include:

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

These fees do not include transaction charges.

### **• Transaction charges**

Transactions are recorded excluding charges.

### **• Retrocessions received on management fees or entry charges**

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

- If the amount is significant, a provision is recognised in account 61719.

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

### **Swing pricing adjustments to the net asset value (NAV) with a trigger level for the Lazard Credit Opportunities sub-fund**

In order to protect the Sub-fund's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Sub-fund's outstandings, which may generate costs for shareholders entering and leaving the Sub-fund that would otherwise have been allocated across all shareholders in the Sub-fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of Sub-fund shares exceeds a threshold predetermined by the financial sub-manager on the basis of objective criteria and expressed as a percentage of the net assets in the Sub-fund, the NAV will be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each 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 share category in the Sub-fund.

The cost parameters and trigger level shall be determined by the financial sub-manager 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 Sub-fund.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the Sub-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 financial sub-manager will have to make such adjustments, which shall not exceed 1,75% of the NAV. Investors should be aware that the volatility of the Sub-fund's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

### **Swing pricing adjustments to the net asset value (NAV) with a trigger level for the Lazard Euro Short Duration High Yield SRI sub-fund**

In order to protect the Sub-fund's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Sub-fund's outstandings, which may generate costs for shareholders entering and leaving the Sub-fund that would otherwise have been allocated across all shareholders in the Sub-fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of Sub-fund shares exceeds a threshold predetermined by the financial sub-manager on the basis of objective criteria and expressed as a percentage of the net assets in the Sub-fund, the NAV will be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each 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 share category in the Sub-fund.

The cost parameters and trigger level shall be determined by the financial sub-manager 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 Sub-fund.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the Sub-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 financial sub-manager will have to make such adjustments, which shall not exceed 1,50% of the NAV. Investors should be aware that the volatility of the Sub-fund's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

### **Swing pricing adjustments to the net asset value (NAV) with a trigger level for the Lazard Global Green Bond Opportunities sub-fund**

In order to protect the Sub-fund's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Sub-fund's outstandings, which may generate costs for shareholders entering and leaving the Sub-fund that would otherwise have been allocated across all shareholders

in the Sub-fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of Sub-fund shares exceeds a threshold predetermined by the financial sub-manager on the basis of objective criteria and expressed as a percentage of the net assets in the Sub-fund, the NAV will be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each 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 share category in the Sub-fund.

The cost parameters and trigger level shall be determined by the financial sub-manager 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 Sub-fund.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the Sub-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 financial sub-manager will have to make such adjustments, which shall not exceed 1,50% of the NAV. Investors should be aware that the volatility of the Sub-fund's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

### **Swing pricing adjustments to the net asset value (NAV) with a trigger level for the Lazard Euro Credit SRI sub-fund**

In order to protect the Sub-fund's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Sub-fund's outstandings, which may generate costs for shareholders entering and leaving the Sub-fund that would otherwise have been allocated across all shareholders in the Sub-fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of Sub-fund shares exceeds a threshold predetermined by the financial sub-manager on the basis of objective criteria and expressed as a percentage of the net assets in the Sub-fund, the NAV will be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each 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 share category in the Sub-fund.

The cost parameters and trigger level shall be determined by the financial sub-manager 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 Sub-fund.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the Sub-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 financial sub-manager will have to make such adjustments, which shall not exceed 1,50% of the NAV. Investors should be aware that the volatility of the Sub-fund's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

### **Swing pricing adjustments to the net asset value (NAV) with a trigger level for the Lazard Credit 2028 sub-fund**

In order to protect the Sub-fund's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Sub-fund's outstandings, which may generate costs for shareholders entering and leaving the Sub-fund that would otherwise have been allocated across all shareholders in the Sub-fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of Sub-fund shares exceeds a threshold predetermined by the financial sub-manager on the basis of objective criteria and expressed as a percentage of the net assets in the Sub-fund, the NAV will be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each 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 share category in the Sub-fund.

The cost parameters and trigger level shall be determined by the financial sub-manager 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 Sub-fund.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the Sub-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 financial sub-manager will have to make such adjustments, which shall not exceed 2% of the NAV. Investors should be aware that the volatility of the Sub-fund's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

### **Swing pricing adjustments to the net asset value (NAV) with a trigger level for the Lazard High Yield 2029 sub-fund**

In order to protect the Sub-fund's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Sub-fund's outstandings, which may generate costs for shareholders entering and leaving the Sub-fund that would otherwise have been allocated across all shareholders in the Sub-fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of Sub-fund shares exceeds a threshold predetermined by the financial sub-manager on the basis of objective criteria and expressed as a percentage of the net assets in the Sub-fund, the NAV will be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each 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 share category in the Sub-fund.

The cost parameters and trigger level shall be determined by the financial sub-manager 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 Sub-fund.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the Sub-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 financial sub-manager will have to make such adjustments, which shall not exceed 2% of the NAV. Investors should be aware that the volatility of the Sub-fund's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

## **VIII - REMUNERATION**

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

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

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

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

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

---

ARTICLES OF ASSOCIATION SICAV WITH SUB-FUNDS

LAZARD FUNDS

Registered office - 10 avenue Percier - 75008 Paris  
484 947 627 Paris Trade and Companies Register

**Title I - Form – Object – Name – Registered offices – Term of the company**

**ARTICLE 1 - FORM**

---

An investment company with variable capital (Société d'Investissement à Capital Variable - SICAV) shall be formed among the holders of shares created hereinafter and shares to be subsequently created. The Sicav shall be governed notably by the provisions of the French Commercial Code concerning limited companies (sociétés anonymes) (Book II – Title II – Chapter V), the French Monetary and Financial Code (Book II – Title I – Chapter IV – Section I – Sub-section I), their implementing texts, subsequent texts and by these articles of association.

The UCI has several sub-funds. Each sub-fund gives rise to the issue of one or more categories of shares representing the assets of the UCI allocated to it.

**ARTICLE 2 - OBJECT**

---

The purpose of this company is to set up and manage financial instruments and deposits.

**ARTICLE 3 - NAME**

---

The company's name is: LAZARD FUNDS followed by the notation "Société d'investissement à Capital Variable", with or without the term "Sicav".

**ARTICLE 4 - REGISTERED OFFICES**

---

The registered office is established at 10 avenue Percier - 75008 Paris.

**ARTICLE 5 - TERM**

---

The company's term is 99 years, commencing from its registration with the Trade and Companies Register, except in the event that the Sicav is dissolved before the end of the term or extended pursuant to these regulations.

**Title II - Capital – Changes in capital - Features of the shares**

**ARTICLE 6 - SHARE CAPITAL**

---

For the Lazard Crédit Opportunities sub-fund:

The initial capital totals €29.302.500 divided into three categories of fully paid-up shares:

- A shares: 5 shares of €500 each;
- B shares: 30 shares of €10.000 each;
- C shares: 29 shares of €1.000.000 each

It was created from cash payments.

For the Lazard Euro Short Duration High Yield sub-fund:

The initial capital totals €10.555.200 divided into five categories of fully paid-up shares:

- PVC EUR shares: 55,400 shares of €1.000 each;
- EVC EUR shares: 5000 shares of €1.000 each;
- RC EUR shares: 1 share of €100;
- RVC EUR shares: 1 share of €100;
- PD EUR shares: 1 share of €1.000.

It was created from cash payments.

For the Lazard Human Capital sub-fund:

The initial capital totals €15.635.000 divided into five categories of fully paid-up shares:

- PC EUR shares: 2.983 shares of €1.000 each;
- EC EUR shares: 12.652 shares of €1.000 each.

It was created from cash payments.

For the Lazard Global Green Bond Opportunities sub-fund:

The initial capital totals €28.865.020 divided into one categorie of fully paid-up shares:

- EC EUR shares: 28.865,020 shares of €1.000 each.

It was created from cash payments.

For the Lazard Euro Credit SRI sub-fund:

The initial capital totals €177.692.169,68 divided into three categories of fully paid-up shares:

- PC EUR shares: 129.568,721 shares of €1.011,71 each;
- RC EUR shares: 34.702,773 shares of €1.342,96 each ;
- PVC EUR shares: 1 share of €1.014,38 each.

It was created from cash payments.

For the Lazard Well-Being sub-fund:

The initial capital totals €17 723 660 divided into four categories of fully paid-up shares:

- PC EUR shares: 1 share of €1 000 each;
- PVC EUR shares: 1 share of €1 000 each ;
- EC EUR shares: 17 721,56 shares of €1 000 each ;
- RVC EUR shares: 1 share of €100 each.

It was created from cash payments.

For the Lazard Credit 2028 sub-fund:

The initial capital totals €2 413 200 divided into six categories of fully paid-up shares:

- EC EUR shares: 2410 shares of €1 000 each;
- ED EUR shares: 1 share of €1 000 each;
- PC EUR shares: 1 share of €1 000 each ;
- PD EUR shares: 1 share of €1 000 each ;
- RC EUR shares: 1 share of €100 each ;
- RD EUR shares: 1 share of €100 each.

It was created from cash payments.

For the Lazard High Yield 2029 sub-fund:

The initial capital totals €330 200 divided into six categories of fully paid-up shares:

- EC EUR shares: 327 shares of €1 000 each;
- ED EUR shares: 1 share of €1 000 each;
- PC EUR shares: 1 share of €1 000 each;
- PD EUR shares: 1 share of €1 000 each;
- RC EUR shares: 1 share of €100 each;
- RD EUR shares: 1 share of €100 each.

It was created from cash payments.

For the Lazard Green Capital sub-fund:

The initial capital totals €14 705 200 divided into six categories of fully paid-up shares:

- PC EUR shares: 1 share of €100 each;
- PVC EUR shares: 1 share of €1 000 each;
- EC EUR shares: 14 704 shares of €1 000 each;
- RC EUR shares: 1 share of €100 each.

It was created from cash payments.

The different share classes may:

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

The shares may be combined or split upon the decision of the Extraordinary Shareholders' Meeting.

The shares may be sub-divided upon the decision of the board of directors into tenths, hundredths, thousandths or ten-thousandths, referred to as fractional shares.

The provisions hereof governing the issue and redemption of shares shall apply to fractional shares, the value of which shall always be proportional to the value of the share they represent. Unless otherwise stipulated, all other provisions of the articles of association relating to shares shall automatically apply to fractional shares.

## **ARTICLE 7 - CHANGES IN CAPITAL**

---

The amount of capital may be changed as a result of the issue of new shares by the company and reductions following the



redemption of shares by the company for shareholders who so request.

## **ARTICLE 8- ISSUE AND REDEMPTION OF SHARES**

---

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

Redemptions and subscriptions shall be made under the conditions and in accordance with the procedures set out in the prospectus.

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

As an exception to the foregoing, in cases where the UCI is an ETF, redemptions on the primary market may, if the portfolio management company agrees and provided that the interests of the shareholders are upheld, be made in kind under the conditions set out in the UCI's prospectus. The assets are then delivered by the issuer account keeper under the conditions set out in the UCI's prospectus.

Generally speaking, the redeemed assets are valued according to the rules set out in Article 9, and redemption in kind is based on the first net asset value following acceptance of the instruments in question.

All subscriptions to new shares must, under pain of being declared void, be fully paid up and the shares issued shall have the same dividend date as that of the existing shares on the issuance date.

Pursuant to Article L. 214-7-4 of the French Monetary and Financial Code, redemption by the company of its shares, and the issue of new shares, may be temporarily suspended by the board of directors in exceptional circumstances and if required in the interests of shareholders.

No shares may be redeemed if the net assets of the Sicav are less than the regulatory amount.

The management company may implement the gate mechanism to spread the redemption requests of the investors of the Sub-fund concerned over several net asset values when they exceed a certain level, determined objectively. The threshold above which gates can be triggered must be justified with regard to the frequency of calculation of the net asset value of the Sub-fund, the management strategy and the liquidity of the assets in the portfolio. The cap on redemptions may be applied by the management company when the trigger threshold is reached. This threshold is indicated in the "Redemption gate mechanism" section of the prospectus. When the Sub-fund concerned has several categories of shares, the threshold for triggering the procedure is the same for all categories of shares of the Sub-fund.

This trigger threshold is the ratio of:

- the difference between the total amount of redemptions and the total amount of subscriptions on a given centralisation date;
- and
- the net assets or the total number of shares of the Sub-fund.

The threshold applies to centralised redemptions for the whole of the assets of the Sub-fund and not specifically according to the categories of shares of the Sub-fund.

When redemption requests exceed the gate trigger threshold, the management company may, however, decide to honour redemption requests above the specified ceiling, and thus partially or totally execute any orders that might be blocked.

During the period of application of the redemption gate, redemption orders will be executed in the same proportions for investors of the Sub-fund who have requested a redemption at the same net asset value. The non-executed portion of the redemption order so deferred shall not have priority over subsequent redemption requests. Fractions of redemption orders that are not executed and automatically deferred may not be revoked by investors of the Sub-fund.

The maximum duration for the application of the redemption gate mechanism is set at 20 net asset values over 3 months. The

maximum duration of the redemption gate may not exceed 1 month.

Subscription and redemption transactions for the same number of shares, based on the same net asset value and for the same investor or beneficial owner (so-called round-trip transactions) are not subject to the gate mechanism. This exclusion also applies when switching from one category of shares to another category of shares, at the same net asset value, for the same amount and for the same investor or beneficial owner.

Minimum subscription conditions may apply, as set out in the prospectus.

The UCI may cease to issue shares on a temporary or permanent basis, in part or in full, pursuant to the provisions set out in the third paragraph of Article L. 214-7-4 of the French Monetary and Financial Code, in objective situations that warrant the closure of subscription such as cases where the maximum number of issued shares has been reached, the maximum amount of assets has been reached, or the subscription period has expired. If such partial or full closure is activated, the existing shareholders must be informed by all available means, including details of the threshold and objective situation that triggered the decision. In the case of partial closure, the existing shareholders must also be informed in detail of the methods by which they can continue to subscribe during this partial closure period. The shareholders must also be informed by all available means if the UCI or management company decide to discontinue the full or partial subscription closure period (when the activation threshold is no longer exceeded) or continue the closure period (change in the threshold or the objective situation that warranted implementation of the measure). Any change in the specified objective situation or in the activation threshold must always be in the interest of the shareholders. The existing shareholders must be informed by all means of the exact reasons for such changes.

## **ARTICLE 9 - CALCULATION OF NET ASSET VALUE**

---

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

Further, if the shares are listed for trading, the exchange operator will calculate an instant indicative net asset value.

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

## **ARTICLE 10- FORM OF THE SHARES**

---

The shares may have the form of bearer or registered shares, as selected by the subscriber.

Pursuant to Article L. 211-4 of the French Monetary and Financial Code, the securities must be registered in accounts kept by the issuer or an authorised intermediary, as the case may be.

Holders' rights will be represented by an entry in an account their name:

- with the intermediary of their choice for bearer securities;
- with the issuer and, if they so wish, with the intermediary of their choice for registered securities.

The company may, at its own expense, request the name, nationality and address of the Sicav's shareholders, as well as the number of securities held by each of them, in accordance with Article L. 211-5 of the French Monetary and Financial Code.

## **ARTICLE 11 - ADMISSION TO TRADING IN A REGULATED MARKET AND/OR A MULTILATERAL TRADING SYSTEM**

---

The shares may be admitted to trading in a regulated market and/or a multilateral trading system, depending on the applicable regulations.

If the Sicav whose shares are admitted to trading in a regulated market, has an investment objective based on an index, it must

have set up a system to ensure that its share price does not deviate significantly from its net asset value.

## **ARTICLE 12 - RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES**

---

Each share confers the right, in proportion to the fraction of the share capital represented, to a share in the ownership of the company's assets and of the company's profits.

The rights and duties attached to a share shall be transferred to any owner thereof.

Whenever the exercise of a right is conditional upon a certain number of shares being held and specifically in the case of a swap or consolidation of shares, holders of individual shares or of less than the required number of shares may only exercise such rights if they personally undertake to consolidate their holdings and, if applicable, to buy or sell the necessary quantity of shares.

## **ARTICLE 13 - INDIVISIBILITY OF SHARES**

---

All co-owners of shares or assignees are required to be represented with the company by a single person named by mutual agreement or, failing such agreement, appointed by the Chief Judge of the Commercial Court with jurisdiction for the registered offices.

In cases involving fractional shares:

The holders of the fractional shares may consolidate their holdings. In this case, they must be represented as set out above, by a single person who shall perform, for each group, all of the rights attached to the ownership of the entire share.

In cases where beneficial ownership and bare ownership are separated, the division of voting rights at shareholders' meetings between the beneficial owner and the bare owner is left to the discretion of the parties concerned, who should inform the company accordingly.

## **Title III - Administration and management of the company**

### **ARTICLE 14 - ADMINISTRATION**

---

The company is administered by a board of directors with at least three and no more than 18 members, appointed by the shareholders' meeting.

During the life of the company, the directors shall be appointed or re-appointed by the ordinary shareholders' meeting.

The directors of the company may be natural persons or legal entities. In the case of a legal entity, on appointment, they must designate a permanent representative who is subject to the same conditions and obligations and bears the same civil and criminal liability as if they themselves were a member of the board of directors, without prejudice to the liability of the legal entity they represent.

This permanent mandate is given for the duration of the legal entity's own mandate. If the legal entity terminates the appointment of its representative, it must notify the Sicav immediately by registered mail and also inform the Sicav of the identity of its new permanent representative. The same shall apply in the event of the death, resignation or extended impediment of the permanent representative.

### **ARTICLE 15 - TERM OF OFFICE OF DIRECTORS -REPLACEMENT OF THE BOARD**

---

Subject to the provisions of the final paragraph of this article, the directors' term of office is three years for initial directors and up to six years for subsequent directors, with each year being understood as the period between two consecutive annual

shareholders' meetings.

If one or more directors' seats become vacant between two shareholders' meetings as a result of death or resignation, the board of directors may make interim appointments.

A director appointed by the board on an interim basis to replace another shall remain in office only for the remaining term of office of his predecessor. This appointment shall be subject to ratification at the next shareholders' meeting.

All directors shall be eligible for re-election. They may be dismissed at any time by the ordinary shareholders' meeting.

Each director's term of office shall expire at the close of the ordinary shareholders' meeting called to approve the financial statements for the past financial year and held in the year during which the director's term of office expires, it being understood that, if the meeting is not held in that year, the term of office of the director concerned shall expire on December 31st of the same year, subject to the exceptions hereafter.

All directors may be appointed for a term of less than six years where necessary to ensure that changes are made as regularly as possible and that all members have changed by the end of each six-year period. This is notably the case if the number of directors is increased or decreased and the renewal frequency has been affected.

Where the number of members of the board of directors falls below the legal minimum, the remaining member or members must immediately call an ordinary shareholders' meeting in order to fill the vacant seats on the board.

The age limit for members of the board of directors is set at 80. Nevertheless, directors older than this age limit may in exceptional cases have their mandate renewed for a period of six years; no more than three directors may be renewed under these conditions.

In the event of the resignation or death of a director, and where the number of directors still in office is equal to or greater than the statutory minimum, the board may appoint a temporary replacement for the remaining term of office.

## **ARTICLE 16 - BUREAU OF THE BOARD**

---

The board shall elect a chairman from among its members for a term determined by it, but which may not exceed the chairman's term of office as a director. The chairman must be an individual.

The chairman of the board of directors shall organise and direct the board's activities, and shall report on these to the shareholders' meeting. The chairman shall oversee the smooth operation of the company's management bodies and in particular shall ensure that the directors are capable of fulfilling their duties.

If he considers it appropriate, he shall also appoint a vice-chairman and may also choose a secretary, who need not be member of the board.

In the event of the temporary incapacity or death of the chairman, the board of directors may agree to delegate the chairman's functions to a director.

## **ARTICLE 17- BOARD MEETINGS AND DELIBERATIONS**

---

The board of directors shall meet when convened by the chairman, as often as the company's interests require, either at the registered offices or at any other location indicated in the notice of meeting.

Whenever the board has not met for more than two months, at least one-third of its members may ask the chairman to convene a meeting based on a specific agenda. The chief executive officer may also ask the chairman to convene a board of directors' meeting to deal with a specific agenda. The chairman is bound by such a request.

Company bylaws may determine, in accordance with legal and regulatory provisions, the conditions for organising meetings of

the board of directors, which except when held for the adoption of resolutions that are expressly excluded from this option under the French Commercial Code, may take place via video-conference.

Invitations may be sent to the directors by post or verbally.

A quorum of at least half the members is required in order for decisions to be valid. Decisions are adopted by a majority vote of members present or represented. Each director holds one vote. In the case of a split-vote, the chairman has the casting vote.

Where video-conferencing is permitted, the company's bylaws may stipulate, in accordance with the regulations in force, that directors participating in a board of directors' meeting via video-conference are deemed present for the purpose of quorum and majority calculations.

## **ARTICLE 18 - MINUTES**

---

Minutes are written up and copies or excerpts of decisions are issued and certified as required by law.

## **ARTICLE 19- POWERS OF THE BOARD OF DIRECTORS**

---

The board of directors steers the company's activity and oversees correct execution. Within the limits of the corporate object and subject to the powers expressly granted by law to shareholders' meetings, the board shall consider any issue that affects the proper operation of the company and settle any matters concerning the company through its decisions

The board of directors shall carry out such controls and audits that it considers appropriate. The chairman or the chief executive officer is required to provide each director with all documents and information needed to perform his or her duties.

A director may authorise another director to represent him at a meeting of the board of directors under the conditions established by law. Each director shall have only one such power of attorney during a single session.

The provisions set out above shall apply to permanent representatives of directors who are legal entities.

## **ARTICLE 20 - EXECUTIVE MANAGEMENT – NON-VOTING BOARD MEMBERS**

---

The executive management of the company shall be the responsibility of the chairman of the board of directors or of another natural person appointed by the board of directors and holding the title of chief executive officer.

The choice of these two methods shall be made in accordance with the terms of these articles of association by the board of directors for a term that shall run until the expiry of the functions of the current chairman of the board of directors. Shareholders and third parties shall be informed of this choice under the conditions defined by the applicable legislative and regulatory provisions.

Based on the board of directors' choice as stipulated above, the company will be managed by either the chairman or a chief executive officer.

When the board of directors decides to separate the functions of chairman and chief executive officer, it shall appoint a chief executive officer and shall decide on his/her term of office.

If the chairman of the board of directors assumes responsibility for the executive management of the company, the following provisions regarding the chief executive officer shall apply.

Subject to the powers expressly attributed by law to shareholders' meetings as well as those specifically reserved by law to the board of directors, and within the limits of the corporate purpose, the chief executive officer is vested with the broadest powers to act in all circumstances on behalf of the company. He shall exercise these powers within the limits of the corporate object and subject to the powers expressly attributed by law to shareholders' meetings and the board of directors. He shall represent the

company in its dealings with third parties.

The chief executive officer may authorise any partial delegation of his powers to any person of his choice.

The chief executive officer may have his/her appointment revoked at any time by the board of directors.

At the request of the chief executive officer, the board of directors may appoint up to five deputy chief executive officers to assist the chief executive officer. Deputy chief executive officers may be removed from office at any time by the board upon the recommendation of the chief executive officer.

In agreement with the chief executive officer, the board shall determine the scope and duration of the powers delegated to deputy chief executive officers.

Such powers may include a right of partial delegation. If the chief executive officer resigns or is dismissed or is unable to perform his duties, the deputies shall retain their powers and positions, unless the board decides otherwise, until the appointment of a new chief executive officer.

Deputy chief executive officers shall have the same powers vis-à-vis third parties as the chief executive officer.

The age limit of the chief executive officer and deputy chief executive officers is set at 80.

The shareholders' meeting may appoint one or more non-voting board members.

The term of office for non-voting board members shall be a maximum of six years. It shall expire at the close of the ordinary shareholders' meeting called to approve the financial statements for the past financial year and held in the year during which the non-voting board members' term of office expires.

Non-voting board members may be re-elected at any time without limitation; they may be removed from office at any time upon the decision of the shareholders' meeting.

In the event of the death or resignation of one or more non-voting board members, the board of directors may co-opt their successor(s), this provisional appointment being subject to ratification at the next shareholders' meeting.

Non-voting board members are responsible for ensuring the strict enforcement of the articles of association. They attend the board of directors meetings and hold a consultative role. They examine statements of assets and liabilities and the annual financial statements and offer their comments on these matters to the shareholders' meetings when they consider it appropriate to do so. Remuneration of non-voting board members is decided upon by the board.

## **ARTICLE 21 - BOARD ALLOCATIONS AND REMUNERATION**

---

Directors' fees may be paid to voting and non-voting board members.

The board of directors may also allocate special payments for tasks and duties assigned to directors; any such payments will be charged to operating expenses and subject to the approval of the ordinary shareholders' meeting.

No other permanent or other type of remuneration may be allocated to the directors unless they hold an employment contract with the company under the conditions set out by law.

## **ARTICLE 22 - CUSTODIAN**

---

The custodian is appointed by the board of directors.

The custodian performs the tasks for which it is responsible under applicable laws and regulations as well as those assigned to it contractually by the Fund or the management company.

In particular, the custodian must ensure that the decisions of the management company are lawful. It shall take any protective

measures it considers appropriate.

In the event of a dispute with the management company, it shall inform the AMF.

## **ARTICLE 23 - PROSPECTUS**

---

The board of directors or, where the Sicav has delegated full responsibility for management, the management company, has all necessary powers to make, as needed, any amendments to the prospectus to ensure the proper management of the company, pursuant to the legislative and regulatory provisions specific to Sicavs.

## **Title IV - Statutory auditors**

### **ARTICLE 24 - APPOINTMENT - POWERS - REMUNERATION**

---

The statutory auditor is appointed by the board of directors for a term of six financial years, following AMF approval, from among persons authorised to perform such duties in commercial companies.

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

The statutory auditor's term may be renewed.

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

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

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

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

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

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

The statutory auditor shall certify the positions used as the basis for the distribution of interim dividends.

## **Title V - Shareholder's meetings**

### **ARTICLE 25 - SHAREHOLDER'S MEETINGS**

---

Shareholders' meetings shall be convened and shall deliberate under the conditions provided for by law.

The annual shareholders' meeting, which must approve the company's financial statements, must be held within four months of the close of the financial year.

Meetings shall be held either at the registered offices or at any other location specified in the notice of meeting.

Each shareholder may participate in the Shareholders' Meetings, either in a personal capacity or by appointing another person as proxy, subject to proof of identity and share ownership either in the form of registration in the registered share accounts held by the company or of registration in the bearer securities registry, at the places specified in the notice of meeting; these formalities must be completed two days before the meeting date.

A shareholder may be represented at a meeting in accordance with Article L. 225-106 of the French Commercial Code.

A shareholder may also vote by correspondence under the conditions set out in the regulations in force.

Shareholders' meetings shall be chaired by the chairman of the board of directors or, in his absence, by a vice-chairman or a director appointed by the board for that purpose. Failing this, the shareholders' meeting shall elect the chairman itself.

Minutes of meetings shall be written up and copies certified and issued as required by law.

## **Title VI - Annual financial statements**

### **ARTICLE 26 - FINANCIAL YEAR**

---

The company's financial year begins on the day after the last trading day in Paris in September and ends on the last trading day in Paris of the same month in the following year.

However, by way of exception, the first financial year shall include all operations carried out between the inception date of the first sub-fund and the last trading day of September 2020.

### **ARTICLE 27 - ALLOCATION OF DISTRIBUTABLE INCOME**

---

Distributable income consists of:

- 1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account. Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, remuneration and all income generated by the securities that make up the Sub-fund's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.
- 2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

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

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

## **Title VII- Extension -Dissolution -Liquidation**

### **ARTICLE 28 - EXTENSION OR EARLY DISSOLUTION**

---

The board of directors may, at any time and for any reason, recommend the extension, early dissolution or liquidation of the Sicav to an extraordinary shareholders' meeting.



This issue of new shares and the redemption by the Sicav of shares for shareholders who so request shall cease on the date of publication of the notice of the shareholders' meeting at which a resolution for the early dissolution or liquidation of the company is considered, or at the end of the company's term.

## **ARTICLE 29 - LIQUIDATION**

---

At the end of the term set by the articles of association or in the case of a resolution for early dissolution, the shareholders' meeting shall decide, on the recommendation of the board of directors, the method of liquidation and shall appoint one or more liquidators.

Liquidation procedures are established in accordance with Article L. 214-12 of the French Monetary and Financial Code.

The liquidator shall represent the company. The liquidator is authorised to pay the creditors and divide out the available balance. The appointment of the liquidator shall terminate the powers held by the directors, but not those held by the statutory auditor.

The liquidator may, pursuant to a resolution of the extraordinary shareholders' meeting, contribute all or part of the assets, rights and obligations of the dissolved company to another company, or transfer such assets, rights and obligations to a company or to any other person.

The net proceeds from the liquidation, after settlement of liabilities, shall be distributed in cash or securities among the shareholders.

During the liquidation process, the duly constituted shareholders' meeting shall retain the same authority as during the life of the company, including in particular the power to approve the liquidation accounts and discharge the liquidator.

## **Title VIII - Disputes**

### **ARTICLE 30 - JURISDICTION ADDRESS FOR SERVICE**

---

Any disputes that may arise during the company's operations or at the time of its liquidation, either between shareholders and the company or among the shareholders themselves, concerning the business of the company, shall be judged in accordance with the law and submitted to the courts with jurisdiction.

**Document last updated: 17/06/2024**

## ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

### Right to publicly market shares in Germany

Lazard Frères Gestion SAS (the « Company ») has notified its intention to publicly market shares in the Federal Republic of Germany and since completion of the notification process it has the right to publicly market shares.

### Paying and Information Agent in Germany

The function of paying and information agent in the Federal Republic of Germany is carried out by:

**Landesbank Baden-Württemberg**  
Am Hauptbahnhof 2  
70173 Stuttgart  
GERMANY

(the « Paying and Information Agent »).

On request, shareholders residing in Germany may request that they receive payments (distributions if any, and any other payments), except redemption proceeds, from the Company through the Paying and Information Agent.

Copies of the prospectus, the key investor information document (KIID), the terms and conditions, as well as the audited annual report and, if subsequently published, the unaudited semi-annual report can be obtained free of charge in hardcopies at the registered office of the Paying and Information Agent. The subscription and redemption prices are available free of charge at the Paying and Information Agent's premises.

### Additional Information Agent

**Lazard Asset Management (Deutschland GmbH)**  
Neue Mainzer Strasse 75  
60311 Frankfurt  
GERMANY

The prospectus, the key investor information document (KIID), the terms and conditions, as well as the audited annual report and, if subsequently published, the unaudited semi-annual report can be obtained on the website of Lazard Asset Management: <http://www.lazardassetmanagement.com>. The subscription and redemption prices are also available on the website of Lazard Asset Management: <http://www.lazardassetmanagement.com>.

### Additional Paying Agent

**LAZARD FRÈRES BANQUE**  
*(on behalf of clients for whom it provides custody account-keeping services)*  
121, Boulevard Haussmann  
75008 Paris  
FRANCE

Subscription and redemption applications may be sent to the Company. Shareholders residing in Germany may request that they receive redemption proceeds from the Company.

Any subscription or redemption request received by Lazard Frères Gestion SAS, Caceis Bank or Lazard Frères Banque shall be settled « delivery versus payment » via Euroclear.

### Publications

In Germany, the subscription and redemption prices will be published on the website of Lazard Asset Management: <http://www.lazardassetmanagement.com>.

Shareholder notifications, if any, will be published on the website of Lazard Asset Management: <http://www.lazardassetmanagement.com>.