

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

## **LAZARD CONVERTIBLE EUROPE**

### **ANNUAL REPORT**

as of September 30th, 2024

**Management company: Lazard Frères Gestion SAS**

**Custodian: Caceis Bank**

**Statutory auditor: Pricewaterhousecoopers Audit**

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# 1. CHARACTERISTICS OF THE UCI

## LEGAL FORM

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

## Fund of Fund

None.

## APPROPRIATION OF DISTRIBUTABLE INCOME

Distributable income consists of:

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

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

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

RC EUR, RC H-EUR, PC EUR, PC H-EUR shares

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

## INVESTMENT OBJECTIVE

RC EUR, Part PC EUR shares

The investment objective is to outperform, over the recommended investment period of five years and net of charges, the following benchmark index: Refinitiv European Focus Convertible EUR Index. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

RC H-EUR, Part PC H-EUR shares

The investment objective is to outperform, over the recommended investment period of five years and net of charges, the following benchmark index: Refinitiv European Focus Convertible Hedged EUR Index. The benchmark index is expressed in EUR.

The benchmark is hedged against currency risk with the reference currency being the EUR.

Net dividends or coupons are reinvested.

## BENCHMARK INDEX

RC EUR, Part PC EUR shares

Refinitiv European Focus Convertible EUR Index

The Refinitiv European Focus Convertible EUR Index, expressed in euros, represents the performance of European convertible bonds.

Data are available at: <https://www.refinitiv.com>

Bloomberg code: UICBFOEE

RC H-EUR, Part PC H-EUR shares

Refinitiv European Focus Convertible Hedged EUR Index

The Refinitiv European Focus Convertible Hedged EUR Index represents the performance of European convertible bonds.

Data are available at: <https://www.refinitiv.com>

Bloomberg code: UCBIFX21

## **BENCHMARK ESG INVESTMENT UNIVERSE**

Outstanding convertible bonds, the underlying of which is a European equity, with a nominal value of more than USD 50 million.

## **INVESTMENT STRATEGY**

### **1. Strategies used**

The Fund aims to outperform (net of expenses) the Refinitiv (formerly Thomson Reuters) Europe Focus Hedged Convertible Bond Index (EUR) (net interest reinvested), expressed in euros, over a recommended investment horizon of five years for RC EUR and PC EUR shares, and the Refinitiv (formerly Thomson Reuters) Europe Focus Hedged Convertible Bond Index (EUR) (net interest reinvested), expressed in euros, hedged against foreign exchange risk with the euro as the base currency for RC H-EUR and PC HEUR shares.

The Fund is actively managed using a fundamental approach comprising several analysis phases: study of the economic environment with market expectations produced by the Economic Strategy department, financial analysis of companies issuing bonds and analysis of the technical features of issue contracts.

To this end, we will manage the Fund's overall exposure to interest rates and equity markets. In addition to the portfolio assets' features (exposure, equities and modified duration), we will use interest-rate and equity futures to increase or decrease the Fund's sensitivity or exposure to the equity market.

The Fund may also actively manage interest rates through the active management of the modified duration (use of bobl or bund futures, for instance).

The Fund's modified duration is between 0 and 7.

Overall residual exchange rate risk will not exceed 5% of the net assets for RC H-EUR and PC H-EUR shares.

Concerning fixed-income securities, the portfolio management company conducts its own credit assessment for selection purposes, both at the time of purchase and during the life of the securities. It does not rely exclusively on the ratings provided by the rating agencies and implements credit risk analysis and the necessary procedures to make purchase decisions or buy or hold decisions in the event of a downgrade. The portfolio management company does not automatically use agency ratings but gives precedence to its own credit analysis in assessing the credit quality of said assets and in deciding on possible downgrades.

### **Non-financial criteria**

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR).

All ESG information is provided in the appendix to this prospectus.

The integration of Environmental, Social and Governance (ESG) criteria is an integral part of our process of analysing the performance and risk potential of our investments. The management team uses sustainability scorecards produced by Lazard Asset Management and/or external service providers to identify the impact and ESG management of companies on various criteria, such as human resources and diversity management, resource intensity, supply chain management and board independence.

At least 90% of net assets will therefore be analysed from a non-financial perspective. These ESG criteria are taken into account in investment choices and their weighting, without being a determining factor in this decision-making. In addition, the analyst-managers ensure that a synthetic average ESG rating is maintained that is better than that of the investment universe. This weighted average rating will be based on the ratings assigned by the analyst-managers or, alternatively, those of our external service provider.

The methodology used to calculate the indicators and the definition of the investment universe can be found on the management company's website.

Lazard Asset Management's Sustainable Investment and ESG Policy, available on the management company's website, outlines its approach and commitment to integrating environmental, social and governance issues into investment processes to ensure the interests of its clients and other relevant stakeholders, including the Fund. In particular, this Policy requires the asset manager to take sustainability risks into account in its portfolio management in accordance with the SFDR or similar local regulations.

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

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

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

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

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

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

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

## **2. Assets excluding derivatives**

### **Equities:**

Equities resulting from the conversion of one of the types of instrument listed below, to a maximum of 10% of net assets.

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

- Up to a maximum of 110% of the Fund's net assets may be invested in convertible bonds and similar instruments issued in Europe by companies and financial institutions. These securities will be expressed in all currencies.
- Up to a maximum of 110% of the Fund's net assets may be invested in bonds exchangeable for equities issued in Europe by companies and financial institutions. These securities will be expressed in all currencies.
- Bonds with warrants issued by companies and financial institutions. These securities comprising up to 110% of the net assets will be expressed in all currencies.
- Up to a maximum of 110% of the Fund's net assets may be invested in perpetual subordinated notes (TSDI) issued in and outside Europe by companies and financial institutions. These securities will be expressed in all currencies.
- Investment grade bonds (thus rated by the rating agencies) or an equivalent rating based on the management company's analysis, and speculative/High Yield bonds (thus rated by the rating agencies) or an equivalent rating based on the management company's analysis, or bonds not rated by a rating agency.
- The fund manager will not invest in contingent convertible bonds (CoCo bonds).

### **UCIs:**

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

These UCIs may be managed by Lazard Frères Gestion.

### 3. Derivatives

∞ Types of markets:

- regulated
- organised
- over-the-counter

∞ The manager intends to seek exposure to:

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

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

- hedging
- exposure
- arbitrage
- other type

∞ Types of instruments used:

- futures:
  - equity and equity index
  - interest rate
  - currency
  - other
- options:
  - equity and equity index
  - interest rate
  - currency
  - other: volatility index
- swaps:
  - equity swaps
  - interest rate swaps
  - currency swaps
  - performance swaps
- currency forwards
- credit derivatives
- other type

∞ Derivatives strategy 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

### 4. Securities with embedded derivatives

The manager may invest in all securities with embedded derivatives permitted under the management company's business plan, including warrants, convertible bond subscription rights, etc.

The manager may take positions so as to hedge and/or expose the Fund in order to achieve its investment objective.

### 5. Deposits:

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

### 6. Cash borrowings:

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

## 7. Temporary purchases and sales of securities:

None.

## 8. Information on financial guarantees:

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

## RISK PROFILE

Notice

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

### ∞ Risk of capital loss

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

### ∞ Risk associated with discretionary management

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

### ∞ Interest rate risk

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

### ∞ Credit risk

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

### ∞ Foreign exchange risk

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

### ∞ Convertible bond risk

The UCI 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.

### ∞ Volatility risk

As certain securities such as convertible bonds and derivative financial instruments traded OTC or on listed markets entail an option component, volatility fluctuations can lead to a decrease in the UCI's net asset value.

∞ **Equity risk**

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

∞ **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 UCI's net asset value may decline quickly and sharply.

∞ **Emerging country risk**

The operational and supervisory standards applicable to emerging markets may differ from those on international markets, as a result there is a risk that this may affect the UCI's net asset value.

∞ **Liquidity risk**

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

∞ **Derivative financial instrument risk**

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

∞ **Counterparty risk**

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

∞ **Sustainability risk**

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

∞ **ESG investment risk and methodological limitations**

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

**GUARANTEE OR PROTECTION**

None.

## **ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

RC EUR shares (unhedged): intended for all investors.

RC H-EUR shares (hedged): intended for all investors seeking hedging against exchange rate risk.

PC EUR shares (unhedged): intended for all investors, in particular institutional investors and UCIs.

PC H-EUR shares (hedged): intended for all investors, in particular institutional investors and UCIs.

This Fund is intended for investors seeking to optimise their investments in fixed-income instruments.

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

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

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

### **Information on US investors**

The UCI is not registered as an investment vehicle in the United States and its share 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 1<sup>st</sup>, 2014, if the SICAV invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

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

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

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

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

## 2. CHANGES AFFECTING THE UCI

None.

## 3. MANAGEMENT REPORT

### PERFORMANCE

**The performance of Lazard Convertible Europe RC EUR shares is: +7,66%.**

**The performance of Lazard Convertible Europe PC EUR shares is: +8,38%.**

The performance of the benchmark (FTSE (formerly Refinitiv) Europe Convertible Bond Focus EUR) over the period was: +10,20%.

**The performance of Lazard Convertible Europe RC H EUR shares is: +7,94%.**

**The performance of Lazard Convertible Europe PC H EUR shares is: +8,64%.**

The performance of the benchmark (FTSE (formerly Refinitiv) Europe Convertible Bond Focus Hedged EUR) over the period was: +10,53%.

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

### ECONOMIC ENVIRONMENT

#### Introduction

Global growth has held up well this year, with the IMF forecasting a 3,2% increase in global GDP in 2024, almost stable from 2023 and higher than forecast a year ago. However, this stability masks diverging developments between economies: the good performance of the US offset weaker results in Europe, while the Chinese economy continued to suffer from the slowdown in its real estate sector. At the same time, inflation continued to decline in most advanced economies, and labour markets tightness eased. However, inflation in services proved persistent. Against this backdrop, the Fed and the ECB began to cut interest rates cautiously in order to balance the risks of inflation and economic growth. In financial markets, equities continued to rise, while bond markets were volatile as investors swung between different scenarios for the US economy.

#### Economy

In the United States, GDP growth was solid, reaching 3,0% year-on-year in Q2 2024. Job creation slowed to an average of 203 000 per month, the unemployment rate rose from 3,8% to 4,1%, and the rise in hourly wages moderated to 4,0% over the year. Inflation slowed to 2,5% year-on-year, and 3,2% excluding energy and food, with less favourable trend in the first quarter of 2024 and a more positive trend from the second quarter of 2024.

The Fed cut its key rate by 50 basis points in September 2024, to 4,75%-5,00%, based on the belief that inflation and employment risks were better balanced.

In the Eurozone, GDP growth was weak, at 0,8% year-on-year in the second quarter of 2024. Spain posted growth of 3,3%, France 1,0%, Italy 0,6% and Germany 0,3%. PMI indices improved significantly until the spring of 2024 before deteriorating. The unemployment rate remained low at 6,4%. Inflation slowed to 1,8% year-on-year, and to 2,7% excluding energy and food.

The ECB cut its deposit rate by 25 basis points in June 2024 to 3,50%. In December 2023, Christine Lagarde announced that the PEPP portfolio would be reduced from July 2024, at an average rate of €7,5 billion per month in the second half of 2024.

Following the European elections, in which the outgoing coalition retained its majority, president Emmanuel Macron dissolved the National Assembly on June 9th, 2024. This led to a fragmented parliament and the appointment of Michel Barnier as prime minister.

In China, GDP growth was moderate at 4,7% year-on-year in the second quarter of 2024, below the government's target of 5%. Domestic demand was held back by the real estate crisis, while exports performed well.

Inflation remained close to zero, with a year-on-year rise in consumer prices of just 0,6%. At the end of September 2024, the authorities unveiled a set of measures to support the economy and financial markets. Over the past year, the central bank lowered its one-year lending rate by 50 basis points to 2,00%, and the reserve requirement ratio by 100 basis points to 9,5%.

## **Markets**

Equity markets continued to rise: the MSCI World All Country index rose by 29,7%, the S&P 500 by 34,4%, the MSCI emerging equity index by 22,9%, the Euro Stoxx by 17,1%, the Topix by 13,9% and the CAC 40 by 7,0%.

The markets were buoyed above all by hopes of a soft landing for the US economy and monetary policy easing. They also benefited from the sharp rise in tech mega-caps, linked to the artificial intelligence craze. Emerging market equities benefited from the rise in Chinese equities following the announcement of stimulus measures, while Japanese equities were buoyed by policies aimed at improving corporate profitability. French equities were hurt by the uncertainty surrounding the dissolution of the French National Assembly.

Bond markets were highly volatile, with investors vacillating between different scenarios for the US economy (hard landing, soft landing or no landing). At the end of 2023, interest rates fell thanks to good inflation figures and more accommodative statements by the US central bank. They started to rise again in early 2024, as the US economy showed signs of overheating. In the second quarter of 2024, the slowdown in inflation rekindled hopes of a soft landing, leading to a further fall in interest rates. This trend intensified in the summer of 2024, when disappointing employment figures reignited fears of a recession.

Against this backdrop, the 10-year US Treasury yield fell from 4,57% to 3,78%, with a peak of 4,99% in October 2023 and a low of 3,62% in September 2024. The 10-year German government yield fell from 2,84% to 2,12%, with a peak of 2,97% in October 2023 and a low of 1,89% in December 2023. In June 2024, rising political uncertainty in France led to turbulence in French government debt, with the OAT/Bund spread hitting its highest level since 2012 at 86 basis points, compared with 50 basis points before the dissolution.

In the credit market, spreads on European corporate issuers tightened from 141 to 113 basis points for Investment Grade bonds and from 445 to 342 basis points for High Yield bonds, according to ICE Bank of America indices.

In terms of currencies, the euro rose by 5,3% against the dollar and by 1,3% against the yen, while it fell by 3,9% against sterling and by 2,7% against the Swiss franc. According to the JPMorgan index, emerging currencies depreciated by 1,7% against the dollar.

In commodities, the S&P GSCI Index fell by 12,6%. The price of a barrel of Brent crude oil fell from \$92 to \$72, reaching a peak of \$92 in October 2023 and a low of \$69 in September 2024.

## **MANAGEMENT POLICY**

Over the year, the fund underperformed its benchmark for both unhedged and hedged shares. Our security selection in food delivery services in Germany, industrial services in France and Italy, and tourism-related sectors (hotels and airlines) benefited in relative terms. The absence of a specific security in the defence sector in Germany (ESG exclusion) and our under-exposure to reinsurance in Switzerland and real estate in France proved costly in relative terms. We maintained a higher equity exposure than that of the benchmark, which was positive in relative terms. Our active management of modified duration, which we increased during the third quarter of 2024, was also beneficial as interest rates were falling. In terms of currencies, the dollar depreciated against the euro, hurting the absolute performance of unhedged shares, although the relative impact was neutral.

The following is the fund manager's commentary for each month of the financial year:

In October 2023, Lazard Convertible Europe (PC) returned -2,03% versus -1,98% for its benchmark, the Refinitiv Europe Focus Convertible index. The fund's equity exposure was down in absolute terms and stable in relative terms, at 42,4% versus 41,1% for its benchmark at the end of the period. Our overexposure to equities made a slightly negative contribution in relative terms, with equity markets down over the month. Modified duration had a neutral impact in absolute and relative terms, remaining close to that of the benchmark at 2,08 versus 2,03. The widening of European credit spreads had a slightly negative impact in absolute terms, while the impact was neutral in relative terms. Our security selection in energy and payment services had a positive impact in relative terms. Our underexposure to two specific securities in the defence and reinsurance sectors cost us in relative terms, but our underexposure to a specific payment services issuer benefited us in relative terms. Over the month, we reduced our exposure to low-convexity securities in retail, e-commerce and materials, took profits in travel-related services and increased our exposure to two convex securities in energy. The fund maintained a neutral dollar exposure against the benchmark over the month.

In November 2023, Lazard Convertible Europe (PC) returned +3,74% versus +3,73% for its benchmark, the Refinitiv Europe Focus Convertible index. The fund's equity exposure rose in absolute terms and was stable in relative terms, at 48,9% versus 47,7% for its benchmark at the end of the period. Our overexposure to equities made a positive contribution as equity markets bounced back over the month. Modified duration had a slightly positive impact in absolute terms and a neutral impact in relative terms, coming in slightly above the benchmark at 1,92 compared with 1,77. The tightening of European credit spreads had a positive impact in absolute terms, but a neutral impact in relative terms. Our selection of securities in tourism-related sectors, as well as food delivery services, real estate and semiconductors, benefited in relative terms. Our underexposure to two specific securities in the defence and reinsurance sectors proved costly in relative terms. During the month, we sold and trimmed low delta issuers in spirits and telecoms infrastructure, and reduced our exposure to payment services. We increased our exposure to convex airline securities. The fund maintained a neutral dollar exposure against the benchmark over the month.

In December 2023, Lazard Convertible Europe (PC) returned +2,00% versus +1,80% for its benchmark, the FTSE (formerly Refinitiv) Europe Focus Convertible index. The fund's equity exposure was stable in absolute terms and up in relative terms, at 49,0% versus 45,3% for its benchmark at the end of the period. Our overexposure to equities made a positive contribution as equity markets were rising over the month. Modified duration had a slightly positive impact in absolute terms and a neutral impact in relative terms, coming in slightly above the benchmark at 1,88 compared with 1,83. The continued tightening of European credit spreads had a positive impact in absolute terms, but a neutral impact in relative terms. Our selection of telecoms, tourism and real estate securities was positive in relative terms. Our underexposure to certain specific defence securities included in the benchmark but excluded from the fund cost us. However, our exposure to aerospace and the lack of exposure to reinsurance in Switzerland were positive in relative terms. During the month, we reduced our exposure to energy and financials and food delivery services, and sold three issuers in payment services, automotive and healthcare. We increased our exposure to industrials, metals and video games. The fund maintained a neutral dollar exposure against the benchmark over the month.

In January 2024, Lazard Convertible Europe (PC) returned -0,14% versus +0,03% for its benchmark, the FTSE (formerly Refinitiv) Europe Focus Convertible index. The fund's equity exposure rose in absolute and relative terms, at 52,3% versus 45,8% for its benchmark at the end of the period. Our active management of the portfolio's equity exposure had a positive impact in relative terms, although the impact was limited due to a moderate rise in equity markets over the period. Modified duration had a slightly negative impact in absolute terms and a neutral impact in relative terms, in line with the benchmark at 1,9. The slight widening of European credit spreads had a slightly negative impact in absolute terms, but a neutral impact in relative terms. Our selection of securities in aerospace and technical engineering services, as well as our underexposure to materials, were positive in relative terms. Our underexposure to a specific security in German defence as well as our selection in semiconductors and energy proved costly in relative terms. During the period, we switched one of our positions in spirits, which we sold, by participating in the primary market purchase of a new convertible bond from the same issuer, with a more convex structure. We took some profits in online booking services and payments, and reduced our exposure to engineering. We strengthened our positions in maintenance services, real estate, utilities and online pharmacy, and initiated a new position in telecoms. The fund maintained a neutral dollar exposure against the benchmark over the month.

In February 2024, Lazard Convertible Europe (PC) returned +0,87% versus +1,53% for its benchmark, the FTSE (formerly Refinitiv) Europe Focus Convertible index. The fund's equity exposure was stable in absolute terms and up in relative terms, at 52,5% versus 44,7% for its benchmark at the end of the period. The increase in our overexposure to equities during the month had a positive impact in relative terms, although the impact was limited due to the still moderate rise in equity markets this month. Modified duration had a negative impact in absolute terms and was neutral in relative terms, remaining in line with the benchmark at 1,89. The tightening of European credit spreads had a slightly positive impact in absolute terms and a neutral impact in relative terms. Our selection of securities in energy-related industrial services, consumer discretionary and semiconductors was positive in relative terms. Our underexposure to a specific German defence security, which is on our ESG exclusion list, and to the Swiss insurance sector continued to be negative for relative performance. During the month, we reduced our exposure to telecoms and cut our exposure to securities with low equity exposure in airlines and delivery services. We increased our exposure to the aerospace industry, semiconductors linked to the development of artificial intelligence, spirits and industrial services. The fund maintained a neutral dollar exposure against the benchmark over the month.

In March 2024, Lazard Convertible Europe (PC) returned +2,99% versus +2,16% for its benchmark, the FTSE (formerly Refinitiv) Europe Focus Convertible index. The fund's equity exposure rose in absolute terms and was stable in relative terms, at 53,6% versus 45,4% for its benchmark at the end of the period. Our overexposure to equities had a positive impact given the rise in European equity markets. Modified duration had a slightly positive impact in absolute terms and was neutral in relative terms, in line with the benchmark at 1,81. The slight tightening of European credit spreads had a slightly positive impact in absolute terms and a neutral impact in relative terms over the month. Our selection of securities in industrial services, home delivery and aerospace benefited in relative terms. Our underexposure to a specific German defence security (on the ESG exclusion list) continued to be negative for relative performance, although our exposure to aerospace and defence in France helped to offset some of this impact over the month. During the period, we reduced our exposure to aerospace and airlines, and participated in a new issue in the luxury goods sector by partially selling the maturing convertible bond of the same issuer. The fund maintained a neutral dollar exposure against the benchmark over the month.

In April 2024, Lazard Convertible Europe (PC) returned -0,70% versus -0,15% for its benchmark, the FTSE (formerly Refinitiv) Europe Focus Convertible index. The fund's equity exposure was stable in absolute and relative terms, at 52,2% versus 44,6% for its benchmark at the end of the period. Our overexposure to equities had a negative impact in relative terms given the fall in European equity markets. Modified duration had a slightly negative impact in absolute terms and neutral in relative terms, slightly above that of the benchmark at 1,82. The widening of European credit spreads had a slightly negative impact in absolute terms and a neutral impact in relative terms over the month. Our selection of securities in infrastructure, IT services and industrial services was relatively costly. Our underexposure to payment services was positive, but our underexposure to mining cost us in relative terms. During the period, we increased our exposure to online pharmacy. The fund maintained a neutral dollar exposure against the benchmark over the month.

In May 2024, Lazard Convertible Europe (PC) returned +2,05% versus +1,73% for its benchmark, the FTSE Europe Focus Convertible index. The fund's equity exposure rose in absolute terms and was stable in relative terms, at 54,9% versus 47,2% for its benchmark at the end of the period. Our overexposure to equities had a positive impact in relative terms given the rise in European equity markets over the month. Modified duration had a neutral impact in absolute and relative terms, remaining close to the benchmark at 1,66. The slight tightening of European credit spreads had a slightly positive impact in absolute terms and a neutral impact in relative terms over the month. Our stock picking in industrial services, aerospace and e-commerce benefited in relative terms. Our underexposure to electrical industrial services, due to our 5% issuer limit, and our underexposure to two specific securities in the benchmark - real estate - were costly. During the period, we made a switch into aerospace by selling the short maturity convertible bond and buying the longer maturity with a more convex structure. The fund maintained a neutral dollar exposure against the benchmark over the month.

In June 2024, Lazard Convertible Europe (PC) returned -2,13% versus -1,34% for its benchmark, the FTSE Europe Focus Convertible index. The fund's equity exposure decreased significantly in absolute terms and slightly in relative terms, at 44,9% versus 38,7% for its benchmark at the end of the period. Our overexposure to equities had a negative impact in relative terms, as European equity markets were falling over the month, particularly in France. The slight fall in interest rates in Europe had a slightly positive impact in absolute and relative terms, with modified duration slightly above the benchmark at 2,0 compared with 1,7. The slight widening of European credit spreads had a slightly negative impact in absolute terms and a neutral impact in relative terms over the month. Our industrial-related securities in France and consumer discretionary cost us relative performance over the month.

Our selection of securities in UK real estate, French industrial technology and our underexposure to Italian spirits were positive in relative terms. During the period, we made a switch into industrial technology by selling the short-dated convertible bond (called by the issuer) and buying the longer-dated one with a more convex structure. We reduced our exposure to telecoms in Italy, and increased our exposure to semiconductors and energy. The fund maintained a neutral dollar exposure against the benchmark over the month.

In July 2024, Lazard Convertible Europe (PC) returned +0,30% versus -0,75% for its benchmark, the FTSE Europe Focus Convertible index. The fund's equity exposure was stable in absolute terms and slightly increased in relative terms, at 44,9% compared with 37,9% for its benchmark at the end of the period. Our overexposure to equities did little to boost relative performance, as European equity markets rose only slightly over the month. The slight fall in interest rates in Europe had a slightly positive impact in absolute and relative terms: modified duration was above the benchmark at 2,1 compared with 1,8. The slight tightening of European credit spreads had a slightly positive impact in absolute terms and a neutral impact in relative terms over the month. Our positions in online pharmacy, renewable energies and French industrial services were positive in relative terms. Nevertheless, our selection of securities in semiconductors and energy as well as our underexposure to French real estate proved costly. The fund maintained a neutral dollar exposure against the benchmark over the month.

In August 2024, Lazard Convertible Europe (PC) posted a performance of +0,64% versus +0,60% for its benchmark, the FTSE Convertible Bond Focus Europe. The fund's equity exposure increased slightly in absolute terms and fell slightly in relative terms, to 45,8% compared with 39,6% for its benchmark at the end of the period. Our overexposure to equities contributed slightly to relative performance as European equity markets ended the month higher. The slight fall in interest rates in Europe had a slightly positive impact in absolute and relative terms: we actively increased our modified duration at the start of the month, to 2,5 from 1,9 at the end of the month. The slight tightening of European credit spreads had a slightly positive impact in absolute terms and a neutral impact in relative terms over the month. Our selection of securities in food delivery services (Delivery Hero, Just Eat), as well as industry-related services (Elis, Spie) and defence (Thalès), were positive in relative terms. Our positions in energy (Saipem) and semiconductors (Besi), as well as our underexposure to German industrials (Rag/Evonik), were costly. Over the month, we reduced our exposure to semiconductors linked to AI development (Besi) and airlines (Lufthansa), and increased our exposure to renewable energy (Iberdrola) and real estate (LEG Immobilien).

In September 2024, Lazard Convertible Europe (PC) posted a performance of +0,66% versus +1,09% for its benchmark, the FTSE Convertible Bond Focus Europe. The fund's equity exposure increased slightly in absolute terms and fell slightly in relative terms, to 47,4% compared with 41,5% for its benchmark at the end of the period. Our overexposure to equities contributed only slightly to relative performance, as European equity markets rose slightly over the month. Falling interest rates in Europe had a slightly positive impact in absolute and relative terms: the fund's modified duration remained higher than that of its benchmark, at 2,4 versus 1,7 at the end of the month. The slight widening of European credit spreads had a slightly negative impact in absolute terms and a neutral impact in relative terms over the month. Our selection of securities in food delivery services (Delivery Hero) and our underexposure to video games (Ubisoft) were positive in relative terms. Nevertheless, our underexposure to French real estate (Klepierre) and our exposure to industry (Thales, Elis, Schneider) proved costly in relative terms. Over the month, we sold our residual position in video games (Ubisoft) and increased our exposure to real estate (LEG Immobilien) and spirits (Campari).

## Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
FRAN 0.875% 28-06-24 CV	396 954,09	4 401 609,01
AMERICA MOVIL BV ZCP 02-03-24	-	3 606 570,00
SCHNEIDER ELECTRIC SE 0.0% 15-06-26	438 313,17	2 359 677,11
ENI 2.95% 14-09-30 CV EMTN	1 523 977,05	934 622,19
PRYSMIAN ZCP 19-07-24 CV	-	2 275 818,00
SCHNEIDER ELECTRIC SE 1.625% 28-06-31 CV	2 104 000,00	-
LEG PROPERTIES BV 1.0% 04-09-30	2 065 025,36	-
DEUTSCHE LUFTHANSA AG 2.0% 17-11-25 CV	629 771,74	1 298 955,42
STMICROELECTRONICS NV ZCP 04-08-27	620 548,51	1 282 258,87
DAVIDE CAMPARI MILANO 2.375% 17-01-29	1 826 188,60	-

## 4. REGULATORY INFORMATION

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

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

• **Exposure through efficient management techniques: -**

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

• **Underlying exposure through derivative financial instruments: 6 014 433,27**

- o Currency forwards: 480 138,76
- o Futures: 4 449 782,30
- o Options: 1 084 512,21
- o Swap: -

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

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

(\*) Excluding listed derivatives.

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

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

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

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

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

(\*) Income on securities lending and repurchase agreements

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

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

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

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

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

### **BROKERAGE FEES**

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

### **EXERCISING VOTING RIGHTS**

Lazard Frères Gestion S.A.S. exercises the voting rights attached to the securities held in the UCIs it manages in accordance with the scope and procedures specified in the guidelines it has drawn up concerning its voting policy. This document can be consulted on the management company's website: [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

### **DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA**

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

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

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

Our overall approach can be summarised as follows:

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

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

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

## **SFDR AND TAXONOMY**

### **Article 8**

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

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

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

## **METHOD USED TO CALCULATE GLOBAL RISK**

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

## **SWING PRICING**

In order to protect the UCI's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the UCI's outstandings, which may generate costs for shareholders entering and leaving the UCI that would otherwise have been allocated across all shareholders in the UCI.

Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of UCI units or shares exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the net assets in the UCI, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each unit or share category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each unit or share category in the UCI.

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

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

## **REMUNERATION**

The fixed and variable remuneration paid during the year ended December 29th, 2023 by the management company to its personnel identified as eligible for the UCITS and AIFM regulations can be obtained on request by post from the legal department of Lazard Frères Gestion and is included in the company's annual report.

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

The total amount of variable compensation should not hinder the ability of the Lazard Group and Lazard Frères Gestion to strengthen their capital base as needed. The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components.

All financial and non-financial risks, as well as conflicts of interest, are incorporated into the calculation of the variable remuneration.

It is then individualised and determined partly based on the performance of each identified member of staff. Each year, Lazard Frères Gestion’s Remuneration Policy Compliance Monitoring Committee, which also has two members independent from the management company, is responsible for issuing an opinion on the proper application of the remuneration policy and its compliance with applicable regulations.

**Population at 31/12/2023: Fixed-term and permanent contracts at LFG, LFG Luxembourg and LFG Belgique (i.e. excluding interns and trainees and excluding LFG Courtage)**

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

**“Identified employees”**

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

*Note: the amounts are stated excluding charges*

**OTHER INFORMATION**

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

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

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

## 5. CERTIFICATION BY THE STATUTORY AUDITOR



**STATUTORY AUDITOR'S REPORT  
ON THE ANNUAL FINANCIAL STATEMENTS  
Financial year ended September 30th, 2024**

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

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

**Opinion**

In accordance with the terms of our appointment by the management company, we conducted our audit of the accompanying annual financial statements of LAZARD CONVERTIBLE EUROPE, as a French open-end investment fund, for the financial year ended September 30th, 2024.

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

**Basis of our opinion**

***Audit standards***

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

***Independence***

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from 30/09/2023 to the date of issue of our report.

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*PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France  
T: +33 (0) 1 56 57 58 59, F: +33 (0) 1 56 57 58 60, [www.pwc.fr](http://www.pwc.fr)*



## LAZARD CONVERTIBLE EUROPE

### **Findings**

Without qualifying our opinion, we draw your attention to the change in accounting methods described in the notes to the financial statements.

### **Basis of our opinions**

Pursuant to the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the fact that the assessments that, in our professional judgement, were the most significant for the audit of the annual financial statements for the year concerned the appropriateness of the accounting principles applied, the reasonableness of the significant estimates used and the overall presentation of the financial statements.

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

### **Specific verifications**

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

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



## LAZARD CONVERTIBLE EUROPE

### **Responsibilities of the management company concerning the annual financial statements**

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

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

The management company has prepared the annual financial statements.

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

#### ***Audit purpose and process***

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

As stipulated in Article L.821-55 of the French Commercial Code, our audit assignment does not consist in guaranteeing the viability or quality of the management of the fund.

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

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

- it takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the efficiency of the internal control;
- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management company, and the related information provided in the annual financial statements;
- it assesses the appropriateness of the management company's application of the accounting policy for a going concern and, based on the information collected, whether there is a significant uncertainty linked to events or circumstances that is likely to call into question the fund's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall qualify its opinion or decline to certify the financial statements;
- it assesses the overall presentation of the annual financial statements and whether they provide a true picture of the underlying operations and events.

Pursuant to the law, we hereby inform you that we were unable to issue this report within the regulatory deadlines given the time required to complete our work.

Neuilly-sur-Seine, date of electronic signature

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

[Signature]

## 6. ANNUAL FINANCIAL STATEMENTS

Balance sheet assets as at 30/09/2024 in EUR	30/09/2024
<b>Net tangible fixed assets</b>	-
<b>Financial securities</b>	
<b>Equities and similar securities (A)</b>	-
Traded on a regulated or equivalent market	-
Not traded on a regulated or equivalent market	-
<b>Bonds convertible into shares (B)</b>	<b>41 353 791,35</b>
Traded on a regulated or equivalent market	41 353 791,35
Not traded on a regulated or equivalent market	-
<b>Bonds and similar securities (C)</b>	<b>2 275 516,63</b>
Traded on a regulated or equivalent market	2 275 516,63
Not traded on a regulated or equivalent market	-
<b>Debt securities (D)</b>	-
Traded on a regulated or equivalent market	-
Not traded on a regulated or equivalent market	-
<b>UCI and investment fund units (E)</b>	
UCITS	-
AIFs and equivalents from other European Union Member States	-
Other UCIs and investment funds	-
<b>Deposits (F)</b>	-
<b>Forward financial instruments (G)</b>	<b>194 634,79</b>
<b>Temporary securities transactions (H)</b>	-
Receivables on securities purchased under repurchase agreements	-
Receivables on securities pledged as collateral	-
Receivables on loaned securities	-
Borrowed securities	-
Securities sold under repurchase agreements	-
Other temporary transactions	-
<b>Loans (I) (*)</b>	-
<b>Other eligible assets (J)</b>	-
<b>Sub-total eligible assets I = (A+B+C+D+E+F+G+H+I+J)</b>	<b>43 823 942,77</b>
<b>Receivables and prepayments and accrued income</b>	<b>769 762,72</b>
<b>Financial accounts</b>	<b>671 756,54</b>
<b>Sub-total assets other than eligible assets II</b>	<b>1 441 519,26</b>
<b>Total assets I+II</b>	<b>45 265 462,03</b>

(\*) This section does not apply to the UCI under review.

<b>Balance sheet liabilities as at 30/09/2024 in EUR</b>	<b>30/09/2024</b>
<b>Shareholders' equity:</b>	
Share capital	41 056 828,02
Net income carried forward	-
Net realised gains and losses carried forward	-
Net income for the year	3 428 526,27
<b>Shareholders' equity I</b>	<b>44 485 354,29</b>
<b>Financing liabilities II (*)</b>	<b>-</b>
<b>Equity and financing liabilities (I+II)</b>	<b>44 485 354,29</b>
<b>Eligible liabilities:</b>	
<b>Financial instruments (A)</b>	<b>-</b>
Sales of financial instruments	-
Temporary financial securities transactions	-
<b>Forward financial instruments (B)</b>	<b>100 346,31</b>
<b>Borrowings (C) (*)</b>	<b>-</b>
<b>Other eligible liabilities (D)</b>	<b>-</b>
<b>Sub-total eligible liabilities III = (A+B+C+D)</b>	<b>100 346,31</b>
<b>Other liabilities:</b>	
Liabilities and accrued charges and deferred income	679 761,43
Bank overdrafts	-
<b>Sub-total other liabilities IV</b>	<b>679 761,43</b>
<b>Total liabilities: I+II+III+IV</b>	<b>45 265 462,03</b>

(\*) This section does not apply to the UCI under review.

Income statement as at 30/09/2024 in EUR	30/09/2024
<b>Net financial income</b>	
<b>Income from financial transactions:</b>	
Income from equities	3 495,00
Income from bonds	461 696,10
Income from debt securities	-
Income from UCI units	-
Income from forward financial instruments	-
Income from temporary securities transactions	-
Income from loans and receivables	-
Income from other eligible assets and liabilities	-
Other financial income	31 790,37
<b>Sub-total income from financial transactions</b>	<b>496 981,47</b>
<b>Expenses on financial transactions</b>	
Expenses on financial transactions	-
Expenses on forward financial instruments	-
Expenses on temporary securities transactions	-
Expenses on loans	-
Expenses on other eligible assets and liabilities	-
Expenses on financing liabilities	-
Other financial expenses	-
<b>Sub-total expenses on financial transactions</b>	<b>-</b>
<b>Total net financial income (A)</b>	<b>496 981,47</b>
<b>Other income:</b>	
Distribution of management fees to the UCI	-
Capital or performance guarantee payments	-
Other income	-
<b>Other expenses:</b>	
Management company fees	-410 412,88
Audit and research fees for private equity funds	-
Taxes and duties	-
Other expenses	-
<b>Sub-total other income and other expenses (B)</b>	<b>-410 412,88</b>
<b>Sub-total net income before accruals (C = A-B)</b>	<b>86 568,59</b>
<b>Adjustment of net income for the year (D)</b>	<b>-7 203,60</b>
<b>Sub-total net income I = (C+D)</b>	<b>79 364,99</b>
<b>Net realised gains/losses before accruals:</b>	
Realised capital gains/losses	74 494,51
External transaction and disposal costs	-155 240,22
Research fees	-
Share of realised capital gains returned to insurers	-
Insurance compensation received	-
Capital or performance guarantee payments received	-
<b>Sub-total net realised capital gains/losses before accruals (E)</b>	<b>-80 745,71</b>
<b>Adjustment of net realised capital gains/losses (F)</b>	<b>134 197,03</b>
<b>Net realised gains/losses II = (E+F)</b>	<b>53 451,32</b>

Income statement as at 30/09/2024 in EUR	30/09/2024
<b>Net unrealised gains/losses before accruals:</b>	
Change in unrealised capital gains/losses including exchange differences on eligible assets	3 894 579,18
Exchange differences on foreign currency accounts	-3 207,13
Capital or performance guarantee payments receivable	-
Share of unrealised capital gains to be returned to insurers	-
<b>Sub-total of net unrealised gains/losses before accruals (G)</b>	<b>3 891 372,05</b>
<b>Adjustment of net unrealised capital gains/losses (H)</b>	<b>-595 662,09</b>
<b>Net unrealised gains/losses III = (G+H)</b>	<b>3 295 709,96</b>
<b>Interim dividends:</b>	
Interim dividends paid on net income for the financial year (J)	-
Interim dividends paid on net realised capital gains/losses for the financial year (K)	-
<b>Total interim dividends paid for the financial year IV = (J+K)</b>	<b>-</b>
<b>Corporate income tax V (*)</b>	<b>-</b>
<b>Net income I + II + III + IV + V</b>	<b>3 428 526,27</b>

(\*) This section does not apply to the UCI under review.

## **. NOTES TO THE FINANCIAL STATEMENTS**

### **A. General information**

#### **A1. Characteristics and activity of the open-ended UCI**

##### **A1a. Investment strategy and profile**

The investment objective is to outperform, over the recommended investment period of five years and net of charges, the following benchmark index: FTSE European Focus Convertible EUR Index. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

These characteristics are fully and accurately described in the prospectus/regulations of the UCI.

**A1b. Characteristics of the UCI over the last 5 financial years**

	30/09/2020	30/09/2021	30/09/2022	29/09/2023	30/09/2024
<b>Global net assets in EUR</b>	<b>157 057 651,25</b>	<b>172 403 133,82</b>	<b>62 419 260,93</b>	<b>60 584 300,18</b>	<b>44 485 354,29</b>
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares in EUR</b>					
Net assets	100 037 395,33	115 021 882,08	39 793 778,95	43 414 520,28	40 118 190,32
Number of shares	4 955,403	5 527,083	2 421,858	2 479,569	2 114,180
Net asset value per share	20 187,53	20 810,59	16 431,09	17 508,89	18 975,76
Accumulation per share pertaining to net capital gains and losses	157,70	815,93	-1 660,51	-909,13	20,12
Accumulation per share pertaining to income	-121,09	-121,26	-70,52	-41,78	37,47
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares in EUR</b>					
Net assets	46 702 094,34	47 643 893,65	20 744 506,27	15 702 234,52	3 306 047,50
Number of shares	2 551,222	2 537,222	1 455,222	1 022,222	198,100
Net asset value per share	18 305,77	18 777,97	14 255,21	15 360,88	16 688,78
Accumulation per share pertaining to net capital gains and losses	346,01	750,94	-2 205,80	-582,90	46,38
Accumulation per share pertaining to income	-117,30	-119,77	-71,00	-44,53	24,84
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares in EUR</b>					
Net assets	7 362 865,33	6 925 294,52	1 111 718,65	795 391,27	703 577,82
Number of shares	39 432,240	36 214,554	7 411,987	5 009,060	4 115,272
Net asset value per share	186,72	191,22	149,98	158,79	170,96
Accumulation per share pertaining to net capital gains and losses	1,46	7,52	-15,19	-8,28	0,17
Accumulation per share pertaining to income	-2,31	-2,38	-1,77	-1,42	-0,74
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares in EUR</b>					
Net assets	2 955 296,25	2 812 063,57	769 257,06	672 154,11	357 538,65
Number of shares	17 367,742	16 215,978	5 882,177	4 800,997	2 365,997
Net asset value per share	170,16	173,41	130,77	140,00	151,11
Accumulation per share pertaining to net capital gains and losses	3,22	6,96	-20,28	-5,33	0,41
Accumulation per share pertaining to income	-2,16	-2,26	-1,65	-1,32	-0,73

## A2. Accounting rules and principles

The annual financial statements are for the first time presented in accordance with regulation 2020-07 of the French accounting standards body (Autorité des Normes Comptables - ANC) amended by ANC regulation 2022-03.

1 Changes in accounting methods, including presentation, in connection with the application of the new accounting regulations relating to the annual financial statements of open-ended undertakings for collective investment (amended ANC regulation 2020-07)

This new regulation requires changes in accounting methods, including changes in the presentation of the annual financial statements. Comparability with the previous year's financial statements is therefore not possible.

Note: the statements concerned are (in addition to the balance sheet and income statement): B1. Changes in shareholders' equity and financing liabilities; D5a. Appropriation of distributable income pertaining to net income and D5b. Appropriation of distributable income pertaining to net realised capital gains and losses.

Therefore, in accordance with the 2nd paragraph of Article 3 of ANC Regulation 2020-07, the financial statements do not present data for the previous financial year; the N-1 financial statements are included in the notes to the financial statements.

These changes mainly concern:

- the balance sheet structure, which is now presented by type of eligible asset and liability, including loans and borrowings;
- the structure of the income statement, which has been radically changed; the income statement includes in particular: exchange differences on financial accounts, unrealised capital gains and losses, realised capital gains and losses and transaction costs;
- the elimination of the off-balance sheet table (some of the information on the items in this table is now included in the notes to the financial statements);
- the abolition of the option to account for expenses included in the cost price (without retroactive effect for funds previously applying the inclusive expenses method);
- the distinction between convertible bonds and other bonds, and their respective accounting records;
- a new classification of target funds held in the portfolio according to the model: UCITS / AIFs / Other;
- the recognition of forward foreign exchange commitments, which is no longer done at balance sheet level but at off-balance sheet level, with information on forward foreign exchange covering a specific portion;
- the addition of information on direct and indirect exposure to different markets;
- the presentation of the inventory, which now distinguishes between eligible assets and liabilities and forward financial instruments.
- the adoption of a single presentation model for all types of UCI;
- the elimination of the aggregation of accounts for umbrella funds.

### 2 Accounting rules and methods applied during the year

General accounting principles apply (subject to the changes described above):

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

## Asset valuation rules

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

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

#### Marketable securities:

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

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

#### ∞ **Fixed-income securities**

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

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

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

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading value for which the management company is responsible. These estimates and their supporting documentation will be provided to the statutory auditor during audits.

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

#### ∞ **Negotiable debt securities:**

Negotiable debt securities are marked to market based on either Bloomberg prices (BVAL and/or BGN)<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 June 14th, 2017. Consequently, the UCI does not use the amortised cost method.

#### ∞ **UCIs:**

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

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

#### ∞ **Temporary purchases and sales of securities**

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

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

#### ∞ **Futures and options**

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

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

### 1.2. Financial instruments and securities not traded on a regulated market

Products traded on a non-regulated market are valued on a market-to-market basis using 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).

### ***Direct exposure to credit markets: principles and rules used to break down the components of the UCI's portfolio (table C1f.): :***

All components of the UCI's portfolio with direct exposure to credit markets are included in this table.

For each item, the various ratings are retrieved: issue and/or issuer rating, long-term and/or short-term rating.

These ratings are obtained from three rating agencies

The rules for determining the rating used are then:

1st level: if a rating exists for the issue, it is used rather than the issuer's rating

2nd level: the lowest long-term rating is selected from those available from the three rating agencies

If there is no long-term rating, the lowest short-term rating is used from among those available from the three rating agencies

If no rating is available, the item will be considered as "Unrated"

Lastly, according to the rating selected, the item is categorised according to market standards defining the concepts of "Investment Grade" and "Non-Investment Grade".

### **Management fees**

Management fees are calculated on each valuation day.

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

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

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

The management company pays the UCI's operating fees, including for:

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

These fees do not include transaction charges.

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

<b>Costs charged to the UCI</b>	<b>Basis</b>	<b>Shares</b>	<b>Maximum rate (incl. taxes)</b>	
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion	RC EUR	1,465%	
		RC H-EUR	1,515%	
		PC EUR	0,815%	
		PC H-EUR	0,865%	
Operating and other service fees	Net assets	Applied to all shares	0,035%	
Indirect charges (management fees and expenses)	NA	Applied to all shares	None	
Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Applied to all shares	Equities, convertible bonds and similar instruments and foreign exchange	0% to 0.25%
			Futures	None
Performance fee	Net assets	RC EUR, RC H-EUR, PC EUR, PC HEUR	None	

**Swing pricing:**

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

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

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the 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 management company will have to make such adjustments, which shall not exceed 2% of the NAV. Investors should be aware that the volatility of the UCI's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

**Appropriation of distributable income**

**Definition of distributable income:**

Distributable income consists of:

**Income:**

Net income plus retained earnings and plus or minus the balance of the income adjustment account.

**Capital gains and losses:**

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

The amounts referred to as "income" and "capital gains and losses" may be distributed independently of each other, in whole or in part.

Distributable income is paid out no later than five months after the end of the financial year.

Where the UCITS is authorised under Regulation (EU) No 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, by way of derogation from the provisions of I, distributable income may also include unrealised capital gains.

**Allocation of distributable income:**

Share(s)	Appropriation of net income	Appropriation of net realised capital gains or losses
LAZARD CONVERTIBLE EUROPE PC H-EUR shares	Accumulation	Accumulation
LAZARD CONVERTIBLE EUROPE PC EUR shares	Accumulation	Accumulation
LAZARD CONVERTIBLE EUROPE RC EUR shares	Accumulation	Accumulation
LAZARD CONVERTIBLE EUROPE RC H-EUR shares	Accumulation	Accumulation

## B. Changes in shareholders' equity and financing liabilities

### B1. Changes in shareholders' equity and financing liabilities

Changes in shareholders' equity during the year in EUR	30/09/2024
<b>Shareholders' equity at beginning of year</b>	<b>60 584 300,18</b>
<b>Cash flow for the year:</b>	
Subscriptions called (including subscription fee retained by the UCI)	364 375,22
Redemptions (net of redemption fee retained by the UCI)	-20 360 516,04
Net income for the year before accruals	86 568,59
Net realised capital gains/losses before accruals	-80 745,71
Change in unrealised gains/losses before accruals	3 891 372,05
Distribution of prior year's net income	-
Distribution of prior year's net realised capital gains and losses	-
Distribution of prior year's unrealised capital gains	-
Interim dividends paid during the year on net income	-
Interim dividends paid on net realised capital gains or losses during the year	-
Interim dividends paid on unrealised capital gains during the year	-
Other items	-
<b>Shareholders' equity at year-end (= Net assets)</b>	<b>44 485 354,29</b>

### B2. Reconstitution of the "equity" line of private equity funds and other vehicles

For the UCI under review, the presentation of this item is not required by accounting regulations.

### B3. Change in the number of shares during the year

#### B3a. Number of shares subscribed and redeemed during the year

	In shares	In amounts
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares</b>		
Shares subscribed during the financial year	15,622	281 487,27
Shares redeemed during the financial year	-381,011	-6 760 973,85
Net balance of subscriptions/redemptions	-365,389	-6 479 486,58
Number of shares outstanding at the end of the financial year	2 114,180	
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares</b>		
Shares subscribed during the financial year	5,100	82 887,95
Shares redeemed during the financial year	-829,222	-13 094 682,94
Net balance of subscriptions/redemptions	-824,122	-13 011 794,99
Number of shares outstanding at the end of the financial year	198,100	
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares</b>		
Shares subscribed during the financial year	-	-
Shares redeemed during the financial year	-893,788	-146 951,20
Net balance of subscriptions/redemptions	-893,788	-146 951,20
Number of shares outstanding at the end of the financial year	4 115,272	
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares</b>		
Shares subscribed during the financial year	-	-
Shares redeemed during the financial year	-2 435,000	-357 908,05
Net balance of subscriptions/redemptions	-2 435,000	-357 908,05
Number of shares outstanding at the end of the financial year	2 365,997	

#### B3b. Subscription and/or redemption fees retained

	In amounts
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares</b>	
Total subscription and/or redemption fees earned	-
Subscription fees acquired	-
Redemption fees acquired	-
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares</b>	
Total subscription and/or redemption fees earned	-
Subscription fees acquired	-
Redemption fees acquired	-
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares</b>	
Total subscription and/or redemption fees earned	-
Subscription fees acquired	-
Redemption fees acquired	-
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares</b>	
Total subscription and/or redemption fees earned	-
Subscription fees acquired	-
Redemption fees acquired	-

**B4. Flows concerning the nominal amount called and redeemed during the year**

For the UCI under review, the presentation of this item is not required by accounting regulations.

**B5. Flows on financing liabilities**

For the UCI under review, the presentation of this item is not required by accounting regulations.

**B6. Breakdown of net assets by type of share**

Name of share ISIN code	Appropriation of net income	Appropriation of net realised capital gains or losses	Share currency	Net assets per share	Number of shares	NAV
LAZARD CONVERTIBLE EUROPE PC EUR FR0010642603	Accumulation	Accumulation	EUR	40 118 190,32	2 114,180	18 975,76
LAZARD CONVERTIBLE EUROPE PC H-EUR FR0010642611	Accumulation	Accumulation	EUR	3 306 047,50	198,100	16 688,78
LAZARD CONVERTIBLE EUROPE RC EUR FR0010637900	Accumulation	Accumulation	EUR	703 577,82	4 115,272	170,96
LAZARD CONVERTIBLE EUROPE RC H-EUR FR0010642595	Accumulation	Accumulation	EUR	357 538,65	2 365,997	151,11

## C. Information on direct and indirect exposures to different markets

### C1. Presentation of direct exposures by type of market and exposure

#### C1a. Direct exposure to the equity market (excluding convertible bonds)

Amounts in thousands of EUR	Exposure +/-	Breakdown of significant exposures by country				
		Country 1	Country 2	Country 3	Country 4	Country 5
		+/-	+/-	+/-	+/-	+/-
<b>Assets</b>						
Equities and similar securities	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-
<b>Liabilities</b>						
Sales of financial instruments	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-
<b>Off-balance sheet items</b>						
Futures	452,70	N/A	N/A	N/A	N/A	N/A
Options	1 084,51	N/A	N/A	N/A	N/A	N/A
Swaps	-	N/A	N/A	N/A	N/A	N/A
Other financial instruments	-	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>1 537,21</b>					

#### C1b. Exposure to the convertible bond market - Breakdown by country and maturity of exposure

Amounts in thousands of EUR	Exposure +/-	Breakdown of exposure by maturity			Breakdown by delta level	
		<= 1 year	1<X<=5 years	> 5 years	<= 0,6	0,6<X<=1
FRANCE	10 404,84	1 711,44	5 482,55	3 210,85	5 712,82	4 692,02
ITALY	5 877,29	-	4 336,66	1 540,63	4 248,63	1 628,66
SPAIN	5 605,32	1 492,10	2 729,23	1 383,99	4 113,22	1 492,10
NETHERLANDS	5 189,49	1 081,97	1 971,85	2 135,67	4 107,52	1 081,97
GERMANY	4 269,73	-	272,65	3 997,08	678,40	3 591,33
Other	10 007,12	1 077,44	8 929,68	-	7 664,67	2 342,45
<b>Total</b>	<b>41 353,79</b>	<b>5 362,95</b>	<b>23 722,62</b>	<b>12 268,22</b>	<b>26 525,26</b>	<b>14 828,53</b>

**C1c. Direct exposure to the fixed income market (excluding convertible bonds) - Breakdown by type of interest rate**

Amounts in thousands of EUR	Exposure +/-	Breakdown of exposures by type of interest rate			
		Fixed rate +/-	Variable or adjustable rate +/-	Indexed rate +/-	Other or without interest rate counterparty +/-
<b>Assets</b>					
Deposits	-	-	-	-	-
Bonds	2 275,51	2 275,51	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Financial accounts	671,76	-	-	-	671,76
<b>Liabilities</b>					
Sales of financial instruments	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Borrowings	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet items</b>					
Futures	N/A	3 601,50	-	-	-
Options	N/A	-	-	-	-
Swaps	N/A	-	-	-	-
Other financial instruments	N/A	-	-	-	-
<b>Total</b>		<b>5 877,01</b>	<b>-</b>	<b>-</b>	<b>671,76</b>

**C1d. Direct exposure to the fixed income market (excluding convertible bonds) - Breakdown by residual maturity**

Amounts in thousands of EUR	[0 - 3 months] (*) +/-	[3 - 6 months] (*) +/-	[6 - 12 months] (*) +/-	[1 - 3 years] (*) +/-	[3 - 5 years] (*) +/-	[5 - 10 years] (*) +/-	>10 years (*) +/-
<b>Assets</b>							
Deposits	-	-	-	-	-	-	-
Bonds	-	1 195,89	1 079,63	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-	-
Financial accounts	671,76	-	-	-	-	-	-
<b>Liabilities</b>							
Sales of financial instruments	-	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-
<b>Off-balance sheet items</b>							
Futures	-	-	-	-	3 601,49	-	-
Options	-	-	-	-	-	-	-
Swaps	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-
<b>Total</b>	<b>671,76</b>	<b>1 195,89</b>	<b>1 079,63</b>	<b>-</b>	<b>3 601,49</b>	<b>-</b>	<b>-</b>

(\*) The UCI may group or complete the residual maturity intervals depending on the relevance of the investment and borrowing strategies.

### C1e. Direct exposure to the currency market

Amounts in thousands of EUR	Currency 1	Currency 2	Currency 3	Currency 4	Currency N
	USD	GBP	CHF		
	+/-	+/-	+/-	+/-	+/-
<b>Assets</b>					
Deposits	-	-	-	-	-
Equities and similar securities	-	-	-	-	-
Bonds and similar securities	3 238,30	3 257,49	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Receivables	58,21	-	-	-	-
Financial accounts	51,56	59,81	31,44	-	-
<b>Liabilities</b>					
Sales of financial instruments	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Borrowings	-	-	-	-	-
Liabilities	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet items</b>					
Foreign currencies receivable	-	-	-	-	-
Foreign currencies to be delivered	-	-	-	-	-
Futures options swaps	352,30	-	-	-	-
Other transactions	-	-	-	-	-
<b>Total</b>	<b>3 700,37</b>	<b>3 317,30</b>	<b>31,44</b>	-	-

### C1f. Direct exposure to credit markets<sup>(\*)</sup>

Amounts in thousands of EUR	Invest. Grade	Non Invest. Grade	Unrated
	+/-	+/-	+/-
<b>Assets</b>			
Bonds convertible into shares	8 628,12	-	32 725,67
Bonds and similar securities	2 275,52	-	-
Debt securities	-	-	-
Temporary securities transactions	-	-	-
<b>Liabilities</b>			
Sales of financial instruments	-	-	-
Temporary securities transactions	-	-	-
<b>Off-balance sheet items</b>			
Credit derivatives	-	-	-
<b>Net balance</b>	<b>10 903,64</b>	-	<b>32 725,67</b>

(\*) The principles and rules used to break down the Fund's portfolio by credit market exposure category are described in chapter A2. Accounting rules and principles

### C1g. Exposure of transactions involving a counterparty

Counterparties (amounts in thousands of EUR)	Current value of a receivable	Current value of a liability
<b>Transactions on the asset side of the balance sheet</b>		
Deposits		
Non-cleared forward financial instruments		
Receivables on securities purchased under repurchase agreements		
Receivables on securities pledged as collateral		
Receivables on loaned securities		
Borrowed securities		
Securities received as collateral		
Securities sold under repurchase agreements		
Receivables		
Cash collateral		
Cash security deposit paid		
<b>Transactions on the liabilities side of the balance sheet</b>		
Liabilities on securities sold under repurchase agreements		
Non-cleared forward financial instruments		
Liabilities		
Cash collateral		

### C2. Indirect exposures for multi-management UCIs

This section does not apply to the UCI under review.

### C3. Exposure to private equity portfolios

For the UCI under review, the presentation of this item is not required by accounting regulations.

### C4. Loan exposure for OFS

For the UCI under review, the presentation of this item is not required by accounting regulations.

## D. Other balance sheet and income statement information

### D1. Breakdown of receivables and liabilities by type

	Debit/credit item	30/09/2024
<b>Receivables</b>		
	Deferred settlement sale	638 522,29
	Margin cash deposits	131 240,43
<b>Total receivables</b>		<b>769 762,72</b>
<b>Liabilities</b>		
	Deferred settlement purchase	644 911,19
	Fixed management fees	34 850,24
<b>Total liabilities</b>		<b>679 761,43</b>
<b>Total receivables and liabilities</b>		<b>90 001,29</b>

### D2. Management fees, other costs and expenses

	30/09/2024
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares</b>	
Guarantee fees	-
Fixed management fees	341 175,33
Percentage of fixed management fees	0,85
Retrocessions of management fees	-
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares</b>	
Guarantee fees	-
Fixed management fees	49 371,39
Percentage of fixed management fees	0,90
Retrocessions of management fees	-
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares</b>	
Guarantee fees	-
Fixed management fees	11 002,62
Percentage of fixed management fees	1,50
Retrocessions of management fees	-
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares</b>	
Guarantee fees	-
Fixed management fees	8 863,54
Percentage of fixed management fees	1,55
Retrocessions of management fees	-

### D3. Commitments received and given

Other commitments (by type of product)	30/09/2024
Guarantees received	-
- of which financial instruments received as collateral and not recorded on the balance sheet	-
Guarantees given	-
- of which financial instruments given as collateral and retained under their original classification	-
Financing commitments received but not yet drawn down	-
Financing commitments given but not yet drawn down	-
Other off-balance sheet commitments	-
<b>Total</b>	-

### D4. Other information

#### D4a. Present value of financial instruments held temporarily

	30/09/2024
Securities held under repurchase agreements	-
Borrowed securities	-

#### D4b. Financial instruments held, issued and/or managed by the Group

	ISIN code	Name	30/09/2024
Equities			-
Bonds			-
Negotiable debt securities			-
UCI			-
Forward financial instruments			-
<b>Total group securities</b>			-

## D5. Determination and breakdown of distributable income

### D5a. Appropriation of distributable income pertaining to net income

Appropriation of distributable income pertaining to net income	30/09/2024
<b>Net income</b>	<b>79 364,99</b>
Interim dividends paid on net income for the year	-
<b>Income for the year available for appropriation</b>	<b>79 364,99</b>
Retained earnings	-
<b>Distributable income pertaining to net income</b>	<b>79 364,99</b>

### LAZARD CONVERTIBLE EUROPE PC EUR shares

Appropriation of distributable income pertaining to net income	30/09/2024
<b>Net income</b>	<b>79 238,66</b>
Interim dividends paid on net income for the year (*)	-
<b>Income for the year available for appropriation (**)</b>	<b>79 238,66</b>
Retained earnings	-
<b>Distributable income pertaining to net income</b>	<b>79 238,66</b>
<b>Appropriation:</b>	
Distribution	-
Income for the year carried forward	-
Accumulation	79 238,66
<b>Total</b>	<b>79 238,66</b>
<b>* Information on interim dividends paid</b>	
Amount per share	-
Total tax credits	-
Tax credit per share	-
<b>** Information on shares with dividend rights</b>	
Number of shares	
Unit distribution remaining to be paid after payment of interim dividends	-
Tax credits attached to the distribution of income	-

## LAZARD CONVERTIBLE EUROPE PC H-EUR shares

Appropriation of distributable income pertaining to net income	30/09/2024
<b>Net income</b>	<b>4 921,33</b>
Interim dividends paid on net income for the year (*)	-
<b>Income for the year available for appropriation (**)</b>	<b>4 921,33</b>
Retained earnings	-
<b>Distributable income pertaining to net income</b>	<b>4 921,33</b>
<b>Appropriation:</b>	
Distribution	-
Income for the year carried forward	-
Accumulation	4 921,33
<b>Total</b>	<b>4 921,33</b>
<b>* Information on interim dividends paid</b>	
Amount per share	-
Total tax credits	-
Tax credit per share	-
<b>** Information on shares with dividend rights</b>	
Number of shares	
Unit distribution remaining to be paid after payment of interim dividends	-
Tax credits attached to the distribution of income	-

## LAZARD CONVERTIBLE EUROPE RC EUR shares

Appropriation of distributable income pertaining to net income	30/09/2024
<b>Net income</b>	<b>-3 065,54</b>
Interim dividends paid on net income for the year (*)	-
<b>Income for the year available for appropriation (**)</b>	<b>-3 065,54</b>
Retained earnings	-
<b>Distributable income pertaining to net income</b>	<b>-3 065,54</b>
<b>Appropriation:</b>	
Distribution	-
Income for the year carried forward	-
Accumulation	-3 065,54
<b>Total</b>	<b>-3 065,54</b>
<b>* Information on interim dividends paid</b>	
Amount per share	-
Total tax credits	-
Tax credit per share	-
<b>** Information on shares with dividend rights</b>	
Number of shares	
Unit distribution remaining to be paid after payment of interim dividends	-
Tax credits attached to the distribution of income	-

## LAZARD CONVERTIBLE EUROPE RC H-EUR shares

Appropriation of distributable income pertaining to net income	30/09/2024
<b>Net income</b>	<b>-1 729,46</b>
Interim dividends paid on net income for the year (*)	-
<b>Income for the year available for appropriation (**)</b>	<b>-1 729,46</b>
Retained earnings	-
<b>Distributable income pertaining to net income</b>	<b>-1 729,46</b>
<b>Appropriation:</b>	
Distribution	-
Income for the year carried forward	-
Accumulation	-1 729,46
<b>Total</b>	<b>-1 729,46</b>
<b>* Information on interim dividends paid</b>	
Amount per share	-
Total tax credits	-
Tax credit per share	-
<b>** Information on shares with dividend rights</b>	
Number of shares	
Unit distribution remaining to be paid after payment of interim dividends	-
Tax credits attached to the distribution of income	-

**D5b. Appropriation of distributable income pertaining to net realised capital gains and losses**

<b>Appropriation of distributable income pertaining to net realised capital gains and losses</b>	<b>30/09/2024</b>
<b>Net capital gains/losses for the year</b>	<b>53 451,32</b>
Interim dividends paid on net realised capital gains/losses for the year	-
<b>Net realised capital gains/losses available for appropriation</b>	<b>53 451,32</b>
Undistributed net realised capital gains and losses from previous years	-
<b>Distributable income pertaining to realised capital gains/losses</b>	<b>53 451,32</b>

**LAZARD CONVERTIBLE EUROPE PC EUR shares**

<b>Appropriation of distributable income pertaining to net realised capital gains and losses</b>	<b>30/09/2024</b>
<b>Net capital gains/losses for the year</b>	<b>42 554,59</b>
Interim dividends paid on net realised capital gains/losses for the year (*)	-
<b>Net realised capital gains/losses available for appropriation</b>	<b>42 554,59</b>
Undistributed net realised capital gains and losses from previous years	-
<b>Distributable income pertaining to realised capital gains/losses</b>	<b>42 554,59</b>
<b>Appropriation:</b>	
Distribution	-
Net realised capital gains/losses carried forward	-
Accumulation	42 554,59
<b>Total</b>	<b>42 554,59</b>
<b>* Information on interim dividends paid</b>	
Interim dividends paid per share	-
<b>** Information on shares with dividend rights</b>	
Number of shares	
Unit distribution remaining to be paid after payment of interim dividends	-

## LAZARD CONVERTIBLE EUROPE PC H-EUR shares

Appropriation of distributable income pertaining to net realised capital gains and losses	30/09/2024
<b>Net capital gains/losses for the year</b>	<b>9 189,49</b>
Interim dividends paid on net realised capital gains/losses for the year (*)	-
<b>Net realised capital gains/losses available for appropriation</b>	<b>9 189,49</b>
Undistributed net realised capital gains and losses from previous years	-
<b>Distributable income pertaining to realised capital gains/losses</b>	<b>9 189,49</b>
<b>Appropriation:</b>	
Distribution	-
Net realised capital gains/losses carried forward	-
Accumulation	9 189,49
<b>Total</b>	<b>9 189,49</b>
<b>* Information on interim dividends paid</b>	
Interim dividends paid per share	-
<b>** Information on shares with dividend rights</b>	
Number of shares	
Unit distribution remaining to be paid after payment of interim dividends	-

## LAZARD CONVERTIBLE EUROPE RC EUR shares

Appropriation of distributable income pertaining to net realised capital gains and losses	30/09/2024
<b>Net capital gains/losses for the year</b>	<b>723,28</b>
Interim dividends paid on net realised capital gains/losses for the year (*)	-
<b>Net realised capital gains/losses available for appropriation</b>	<b>723,28</b>
Undistributed net realised capital gains and losses from previous years	-
<b>Distributable income pertaining to realised capital gains/losses</b>	<b>723,28</b>
<b>Appropriation:</b>	
Distribution	-
Net realised capital gains/losses carried forward	-
Accumulation	723,28
<b>Total</b>	<b>723,28</b>
<b>* Information on interim dividends paid</b>	
Interim dividends paid per share	-
<b>** Information on shares with dividend rights</b>	
Number of shares	
Unit distribution remaining to be paid after payment of interim dividends	-

## LAZARD CONVERTIBLE EUROPE RC H-EUR shares

Appropriation of distributable income pertaining to net realised capital gains and losses	30/09/2024
<b>Net capital gains/losses for the year</b>	<b>983,96</b>
Interim dividends paid on net realised capital gains/losses for the year (*)	-
<b>Net realised capital gains/losses available for appropriation</b>	<b>983,96</b>
Undistributed net realised capital gains and losses from previous years	-
<b>Distributable income pertaining to realised capital gains/losses</b>	<b>983,96</b>
<b>Appropriation:</b>	
Distribution	-
Net realised capital gains/losses carried forward	-
Accumulation	983,96
<b>Total</b>	<b>983,96</b>
<b>* Information on interim dividends paid</b>	
Interim dividends paid per share	-
<b>** Information on shares with dividend rights</b>	
Number of shares	
Unit distribution remaining to be paid after payment of interim dividends	-

## E. Inventory of assets and liabilities in EUR

### E1. Inventory of balance sheet items

Description of securities by business sector (*)	Currency	Quantity or Nominal	Present value	% Net assets
<b>BONDS CONVERTIBLE INTO SHARES</b>			<b>41 353 791,35</b>	<b>92,96</b>
<b>Convertible bonds traded on a regulated or equivalent market</b>			<b>41 353 791,35</b>	<b>92,96</b>
<b>Commercial banks</b>			<b>865 929,25</b>	<b>1,95</b>
BNP PAR ZCP 13-05-25 CV	EUR	700 000	865 929,25	1,95
<b>Beverages</b>			<b>1 775 802,40</b>	<b>3,99</b>
DAVIDE CAMPARI MILANO 2.375% 17-01-29	EUR	1 800 000	1 775 802,40	3,99
<b>Airlines</b>			<b>1 086 393,45</b>	<b>2,44</b>
JET2 1.625% 10-06-26 CV	GBP	900 000	1 086 393,45	2,44
<b>Car components</b>			<b>932 199,40</b>	<b>2,10</b>
PIRELLI C ZCP 22-12-25 CV	EUR	900 000	932 199,40	2,10
<b>Specialised distribution</b>			<b>1 150 670,08</b>	<b>2,59</b>
WH SMITH 1.625% 07-05-26 CV	GBP	1 000 000	1 150 670,08	2,59
<b>Energy equipment and services</b>			<b>1 628 664,70</b>	<b>3,66</b>
SAIPEM 2.875% 11-09-29 CV	EUR	1 300 000	1 628 664,70	3,66
<b>Electrical equipment</b>			<b>3 817 807,72</b>	<b>8,58</b>
NORDEX AG 4.25% 14-04-30 CV	EUR	800 000	986 381,41	2,22
SCHNEIDER ELECTRIC SE 1.625% 28-06-31 CV	EUR	2 100 000	2 198 090,42	4,94
SCHNEIDER ELECTRIC SE 1.97% 27-11-30 CV	EUR	500 000	633 335,89	1,42
<b>Real estate management and development</b>			<b>2 135 657,24</b>	<b>4,80</b>
LEG PROPERTIES BV 1.0% 04-09-30	EUR	2 000 000	2 135 657,24	4,80
<b>Real estate management and development</b>			<b>1 265 008,62</b>	<b>2,84</b>
FASTIGHETS AB BALDER 3.5% 23-02-28	EUR	900 000	1 265 008,62	2,84
<b>Hotels, restaurants and leisure</b>			<b>5 268 123,48</b>	<b>11,86</b>
ACCOR 0.7% 07-12-27 CV	EUR	24 464	1 258 286,78	2,83
AMADEUS CM 1.5% 09-04-25 CV	EUR	1 200 000	1 492 095,69	3,37
DELIVERY HERO SE 1.0% 23-01-27	EUR	300 000	272 650,41	0,61
DELIVERY HERO SE 3.25% 21-02-30	EUR	900 000	945 669,10	2,13
SPIE 2.0% 17-01-28 DD	EUR	1 100 000	1 299 421,50	2,92
<b>Aerospace and defence industry</b>			<b>1 505 192,30</b>	<b>3,38</b>
SAFRAN ZCP 01-04-28 CV	EUR	6 788	1 505 192,30	3,38
<b>Software</b>			<b>1 519 650,66</b>	<b>3,42</b>
INTL CONSOLIDATED AIRLINES GROU 1.125% 18-05-28	EUR	1 500 000	1 519 650,66	3,42
<b>Capital markets</b>			<b>1 940 496,97</b>	<b>4,36</b>
CITIGROUP GLOBAL MKTS FUNDING ZCP 15-03-28 CV	EUR	800 000	863 054,22	1,94
JP MORGAN CHASE FINANCIAL COMPANY LLC ZCP 14-01-25	EUR	500 000	532 770,55	1,20
JP MORGAN CHASE FINANCIAL COMPANY LLC ZCP 29-04-25	EUR	400 000	544 672,20	1,22
<b>Metals and minerals</b>			<b>2 151 346,42</b>	<b>4,84</b>
RAG STIFTUNG 1.875% 16-11-29	EUR	700 000	826 977,05	1,86
RAG STIFTUNG 2.25% 28-11-30 CV	EUR	700 000	832 303,58	1,87
VOESTALPHOL AG 2.75% 28-04-28	EUR	500 000	492 065,79	1,11

## E1. Inventory of balance sheet items

Description of securities by business sector (*)	Currency	Quantity or Nominal	Present value	% Net assets
<b>Tools and services applied to biological sciences</b>			<b>1 081 974,65</b>	<b>2,43</b>
QIAGEN NV 1.0% 13-11-24 CV	USD	1 200 000	1 081 974,65	2,43
<b>Oil &amp; gas</b>			<b>1 540 625,09</b>	<b>3,46</b>
ENI 2.95% 14-09-30 CV EMTN	EUR	1 500 000	1 540 625,09	3,46
<b>Semiconductors and semiconductor equipment</b>			<b>2 901 634,77</b>	<b>6,52</b>
BE SEMICONDUCTOR INDUSTRIES NV 1.875% 06-04-29	EUR	100 000	131 330,28	0,30
SOITEC ZCP 01-10-25 CV	EUR	3 658	613 980,62	1,38
STMICROELECTRONICS NV ZCP 04-08-27	USD	2 400 000	2 156 323,87	4,84
<b>Utilities</b>			<b>1 627 089,86</b>	<b>3,66</b>
IBERDROLA FINANZAS SAU 0.8% 07-12-27 CV	EUR	700 000	781 583,25	1,76
VEOLIA ENVIRONNEMENT ZCP 01-01-25	EUR	26 716	845 506,61	1,90
<b>Business services</b>			<b>388 136,47</b>	<b>0,87</b>
ELIS EX HOLDELIS 2.25% 22-09-29	EUR	300 000	388 136,47	0,87
<b>Miscellaneous customer service</b>			<b>1 082 214,81</b>	<b>2,43</b>
EDENRED ZCP 14-06-28 CV	EUR	7 124	417 536,24	0,94
JUST EAT TAKEAWAYCOM NV 1.25% 30-04-26	EUR	700 000	664 678,57	1,49
<b>Diversified telecommunication services</b>			<b>1 811 992,11</b>	<b>4,07</b>
CELLNEX TELECOM 0.5% 05-07-28 CV	EUR	400 000	428 004,22	0,96
CELLNEX TELECOM 2.125% 11-08-30 CV	EUR	1 300 000	1 383 987,89	3,11
<b>Diversified financial services</b>			<b>3 471 430,50</b>	<b>7,80</b>
CITIGROUP GLOBAL MKTS 1.0% 09-04-29 CV	EUR	900 000	895 737,66	2,01
IWG INTL 0.5% 09-12-27 CV	GBP	900 000	1 020 423,18	2,29
MERRILL LYNCH BV ZCP 30-01-26	EUR	500 000	506 192,35	1,14
ORPAR 2.0% 07-02-31 CV	EUR	400 000	379 424,76	0,85
SHOP APOTHEKE EUROPE NV ZCP 21-01-28	EUR	700 000	669 652,55	1,51
<b>Information technology services</b>			<b>405 750,40</b>	<b>0,91</b>
BECHTLE AG 2.0% 08-12-30 CV	EUR	400 000	405 750,40	0,91
<b>BONDS AND SIMILAR SECURITIES</b>			<b>2 275 516,63</b>	<b>5,12</b>
<b>Bonds and similar securities traded on a regulated or similar market</b>			<b>2 275 516,63</b>	<b>5,12</b>
<b>Software</b>			<b>1 079 627,32</b>	<b>2,43</b>
VINCI 1.0% 26-09-25 EMTN	EUR	1 100 000	1 079 627,32	2,43
<b>Information technology services</b>			<b>1 195 889,31</b>	<b>2,69</b>
THALES 0.75% 23-01-25 EMTN	EUR	1 200 000	1 195 889,31	2,69
<b>Total</b>			<b>43 629 307,98</b>	<b>98,08</b>

(\*) The business sector represents the main activity of the issuer of the financial instrument; it is derived from reliable sources recognised at international level (mainly GICS and NACE).

## E2. Inventory of forward exchange transactions

Transaction type	Current value presented in the balance sheet		Amount of exposure (*)			
	Assets	Liabilities	Foreign currencies to be received (+)		Foreign currencies to be delivered (-)	
			Currency	Amount (*)	Currency	Amount (*)
<b>Total</b>	-	-		-		-

(\*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures expressed in the accounting currency.

### E3. Inventory of forward financial instruments

#### E3a. Inventory of forward financial instruments - equities

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
<b>1. Futures</b>				
EURO STOXX 50 1224	9	13 320,00	-	452 700,00
<b>Subtotal 1.</b>		<b>13 320,00</b>	<b>-</b>	<b>452 700,00</b>
<b>2. Options</b>				
THALES 12/2024 CALL 140	86	75 422,00	-	731 880,21
VINCI SA 12/2024 CALL 110	100	22 200,00	-	352 632,00
<b>Subtotal 2.</b>		<b>97 622,00</b>	<b>-</b>	<b>1 084 512,21</b>
<b>3. Swaps</b>				
<b>Subtotal 3.</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>4. Other instruments</b>				
<b>Subtotal 4.</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>110 942,00</b>	<b>-</b>	<b>1 537 212,21</b>

(\*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures.

#### E3b. Inventory of forward financial instruments - interest rates

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
<b>1. Futures</b>				
EURO BOBL 1224	30	34 800,00	-	3 601 500,00
<b>Subtotal 1.</b>		<b>34 800,00</b>	<b>-</b>	<b>3 601 500,00</b>
<b>2. Options</b>				
<b>Subtotal 2.</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Swaps</b>				
<b>Subtotal 3.</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>4. Other instruments</b>				
<b>Subtotal 4.</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>34 800,00</b>	<b>-</b>	<b>3 601 500,00</b>

(\*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures.

### E3c. Inventory of forward financial instruments - foreign currency

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
<b>1. Futures</b>				
BP GBPUSD 1224	-26	-	-50 960,98	-19 523,88
EC EURUSD 1224	3	4 646,97	-	376 058,42
<b>Subtotal 1.</b>		<b>4 646,97</b>	<b>-50 960,98</b>	<b>356 534,54</b>
<b>2. Options</b>				
<b>Subtotal 2.</b>		-	-	-
<b>3. Swaps</b>				
<b>Subtotal 3.</b>		-	-	-
<b>4. Other instruments</b>				
<b>Subtotal 4.</b>		-	-	-
<b>Total</b>		<b>4 646,97</b>	<b>-50 960,98</b>	<b>356 534,54</b>

(\*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures.

### E3d. Inventory of forward financial instruments - on credit risk

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
<b>1. Futures</b>				
<b>Subtotal 1.</b>		-	-	-
<b>2. Options</b>				
<b>Subtotal 2.</b>		-	-	-
<b>3. Swaps</b>				
<b>Subtotal 3.</b>		-	-	-
<b>4. Other instruments</b>				
<b>Subtotal 4.</b>		-	-	-
<b>Total</b>		-	-	-

(\*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures.

### E3e. Inventory of forward financial instruments - other exposures

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
1. Futures				
Subtotal 1.		-	-	-
2. Options				
Subtotal 2.		-	-	-
3. Swaps				
Subtotal 3.		-	-	-
4. Other instruments				
Subtotal 4.		-	-	-
<b>Total</b>		-	-	-

(\*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures. 1

### E4. Inventory of forward financial instruments or forward currency transactions used to hedge a share class

Transaction type	Current value presented in the balance sheet		Amount of exposure (*)				Hedged share class
	Assets	Liabilities	Foreign currencies to be received (+)		Foreign currencies to be delivered (-)		
			Currency	Amount (*)	Currency	Amount (*)	
V/GBP/EUR/20241209	-	-1 265,33	EUR	94 536,95	GBP	-95 802,28	FR0010642595 FR0010642611
V/USD/EUR/20241209	2 171,15	-	EUR	385 601,81	USD	-383 430,66	FR0010642595 FR0010642611
<b>Total</b>	<b>2 171,15</b>	<b>-1 265,33</b>		<b>480 138,76</b>		<b>-479 232,94</b>	

(\*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures expressed in the accounting currency.

## E5. Inventory summary

	Current value presented in the balance sheet
Total inventory of eligible assets and liabilities (excluding forward financial instruments)	43 629 307,98
Inventory of forward financial instruments (excluding forward financial instruments used to hedge shares issued):	
Total forward currency transactions	-
Total forward financial instruments - equities	110 942,00
Total forward financial instruments - interest rates	34 800,00
Total forward financial instruments - foreign currency	-46 314,01
Total forward financial instruments - credit	-
Total forward financial instruments - other exposures	-
Inventory of forward financial instruments used to hedge shares issued	905,82
Other assets (+)	1 483 593,93
Other liabilities (-)	-727 881,43
Financing liabilities (-)	-
<b>Total = net assets</b>	<b>44 485 354,29</b>

Name of share	Share currency	Number of shares	NAV
LAZARD CONVERTIBLE EUROPE PC EUR shares	EUR	2 114,180	18 975,76
LAZARD CONVERTIBLE EUROPE PC H-EUR shares	EUR	198,100	16 688,78
LAZARD CONVERTIBLE EUROPE RC EUR shares	EUR	4 115,272	170,96
LAZARD CONVERTIBLE EUROPE RC H-EUR shares	EUR	2 365,997	151,11

# LAZARD CONVERTIBLE EUROPE

**ANNUAL FINANCIAL STATEMENTS**  
**29/09/2023**

## BALANCE SHEET ASSETS AT 29/09/2023 IN EUR

	29/09/2023	30/09/2022
<b>NET NON-CURRENT ASSETS</b>	<b>0,00</b>	<b>0,00</b>
<b>DEPOSITS</b>	<b>0,00</b>	<b>0,00</b>
<b>FINANCIAL INSTRUMENTS</b>	<b>59 608 501,55</b>	<b>60 988 817,63</b>
<b>Equities and similar securities</b>	<b>0,00</b>	<b>0,00</b>
Traded on a regulated or equivalent market	0,00	0,00
Not traded on a regulated or equivalent market	0,00	0,00
<b>Bonds and similar securities</b>	<b>59 304 733,72</b>	<b>60 595 949,11</b>
Traded on a regulated or equivalent market	59 304 733,72	60 595 949,11
Not traded on a regulated or equivalent market	0,00	0,00
<b>Debt securities</b>	<b>0,00</b>	<b>0,00</b>
Traded on a regulated or equivalent market	0,00	0,00
Negotiable debt securities	0,00	0,00
Other debt securities	0,00	0,00
Not traded on a regulated or equivalent market	0,00	0,00
<b>Undertakings for collective investment</b>	<b>0,00</b>	<b>0,00</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	0,00	0,00
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU	0,00	0,00
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities	0,00	0,00
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities	0,00	0,00
Other non-European entities	0,00	0,00
<b>Temporary securities transactions</b>	<b>0,00</b>	<b>0,00</b>
Receivables on securities purchased under repurchase agreements	0,00	0,00
Receivables on loaned securities	0,00	0,00
Borrowed securities	0,00	0,00
Securities sold under repurchase agreements	0,00	0,00
Other temporary transactions	0,00	0,00
<b>Forward financial instruments</b>	<b>303 767,83</b>	<b>392 868,52</b>
Transactions on a regulated or equivalent market	303 767,83	392 868,52
Other transactions	0,00	0,00
<b>Other financial instruments</b>	<b>0,00</b>	<b>0,00</b>
<b>RECEIVABLES</b>	<b>3 416 376,46</b>	<b>10 653 153,39</b>
Currency forward exchange transactions	3 322 778,46	10 022 396,88
Other	93 600,00	630 756,51
<b>FINANCIAL ACCOUNTS</b>	<b>1 015 027,32</b>	<b>1 236 190,77</b>
Cash and cash equivalents	1 015 027,32	1 236 190,77
<b>TOTAL ASSETS</b>	<b>64 039 907,33</b>	<b>72 878 161,79</b>

## BALANCE SHEET LIABILITIES AT 29/09/2023 IN EUR

	29/09/2023	30/09/2022
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	63 664 119,45	70 179 736,00
Undistributed net capital gains and losses recognised in previous years (a)	0,00	0,00
Retained earnings (a)	0,00	0,00
Net capital gains and losses for the year (a, b)	-2 917 202,17	-7 463 461,99
Net income for the year (a, b)	-162 617,10	-297 013,08
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>60 584 300,18</b>	<b>62 419 260,93</b>
<i>* Sum representing the net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>	<b>62 387,90</b>	<b>351 089,06</b>
Sales of financial instruments	0,00	0,00
Temporary securities transactions	0,00	0,00
Liabilities on securities sold under repurchase agreements	0,00	0,00
Liabilities on borrowed securities	0,00	0,00
Other temporary transactions	0,00	0,00
Forward financial instruments	62 387,90	351 089,06
Transactions on a regulated or equivalent market	62 387,90	351 089,06
Other transactions	0,00	0,00
<b>LIABILITIES</b>	<b>3 393 219,25</b>	<b>10 107 811,80</b>
Currency forward exchange transactions	3 346 753,57	10 047 078,68
Other	46 465,68	60 733,12
<b>FINANCIAL ACCOUNTS</b>	<b>0,00</b>	<b>0,00</b>
Bank overdrafts	0,00	0,00
Borrowings	0,00	0,00
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>64 039 907,33</b>	<b>72 878 161,79</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year

## OFF-BALANCE SHEET ITEMS AT 29/09/2023 IN EUR

	29/09/2023	30/09/2022
<b>HEDGING TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
EURO BOBL 1222	0,00	9 699 750,00
Commitments on OTC markets		
Other commitments		
<b>OTHER TRANSACTIONS</b>		
Commitments on regulated or similar markets		
Futures contracts		
EURO STOXX 50 1222	0,00	2 353 650,00
BP GBPUSD 1222	0,00	8 556,12
BP GBPUSD 1223	23 785,72	0,00
EC EURUSD 1222	0,00	6 408 838,62
CME CHF/USD 1222	0,00	23 512,87
Options		
VINCI (EX SGE) 12/2024 CALL 110	490 443,40	221 232,20
THALES 12/2024 CALL 140	935 852,72	0,00
Commitments on OTC markets		
Other commitments		

## INCOME STATEMENT AT 29/09/2023 IN EUR

	29/09/2023	30/09/2022
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	33 142,49	2 996,23
Income from equities and similar securities	1 174,11	0,00
Income from bonds and similar securities	349 657,76	576 564,80
Income from debt securities	0,00	0,00
Income from temporary purchases and sales of securities	0,00	0,00
Income from forward financial instruments	0,00	0,00
Other financial income	0,00	0,00
<b>TOTAL (1)</b>	<b>383 974,36</b>	<b>579 561,03</b>
<b>Expenses on financial transactions</b>		
Expenses related to temporary purchases and sales of securities	0,00	60,12
Expenses on forward financial instruments	0,00	0,00
Expenses related to financial liabilities	73,39	13 292,92
Other financial expenses	0,00	0,00
<b>TOTAL (2)</b>	<b>73,39</b>	<b>13 353,04</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>383 900,97</b>	<b>566 207,99</b>
Other income (3)	0,00	0,00
Management fees and depreciation and amortisation (4)	553 154,39	1 034 364,14
<b>NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>-169 253,42</b>	<b>-468 156,15</b>
Income adjustment for the financial year (5)	6 636,32	171 143,07
Interim dividends paid on net income for the financial year (6)	0,00	0,00
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>-162 617,10</b>	<b>-297 013,08</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 1. Accounting rules and principles

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

The general accounting principles apply:

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

### Asset valuation rules

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

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

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

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

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

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading value for which the management company is responsible. These estimates and their supporting documentation will be provided to the statutory auditor during audits.

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

- **Negotiable debt securities:**
  - **Negotiable debt securities with a residual maturity of more than three months:** Negotiable debt securities traded in large volumes are valued at market price.

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

<b>Benchmark rate</b>	
<b>Negotiable debt securities in euros</b>	<b>Negotiable debt securities in other currencies</b>
Euribor, OISs and BTFs - 3 - 6 - 9 - 12 months Fixed-rate treasury bills with annual interest (BTAN) - 18 months, 2 - 3 - 4 - 5 years	Official key rates in the relevant countries

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

o **UCIs:**

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

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

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

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

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

o **Futures and options:**

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

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

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

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

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

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 Fund's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.

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

**Swing pricing:**

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

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

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the 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 management company will have to make such adjustments, which shall not exceed 2% of the NAV. Investors should be aware that the volatility of the UCI's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

### **Management fees**

Management fees are calculated on each valuation day.

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

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

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

The management company pays the UCI's operating fees, including for:

financial management;

administration and accounting;

custody services;

other operating fees:

statutory auditors' fees;

legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

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

Fees charged to the UCI	Basis	Shares	Maximum rate (incl. taxes)	
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion	RC EUR	1,465%	
		RC H-EUR	1,515%	
		PC EUR	0,815%	
		PC H-EUR	0,865%	
Operating and other service fees	Net assets	Applied to all shares	0,035%	
Indirect charges (management fees and expenses)	NA	Applied to all shares	None	
Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Applied to all shares	Equities, convertible bonds and similar instruments and foreign exchange	0% to 0,25%
			Futures	None
Performance fees	Net assets	RC EUR, RC H-EUR, PC EUR, PC HEUR	None	

### Appropriation of distributable income

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

Distributable income consists of:

#### **Net income:**

net income plus retained earnings, plus or minus the balance of the revenue adjustment account.

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

#### **Capital gains and losses:**

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

**Allocation of distributable income:**

<b>Share(s)</b>	<b>Appropriation of net income</b>	<b>Appropriation of net realised capital gains or losses</b>
LAZARD CONVERTIBLE EUROPE PC EUR shares	Accumulation	Accumulation
LAZARD CONVERTIBLE EUROPE PC H-EUR shares	Accumulation	Accumulation
LAZARD CONVERTIBLE EUROPE RC EUR shares	Accumulation	Accumulation
LAZARD CONVERTIBLE EUROPE RC H-EUR shares	Accumulation	Accumulation

## 2. CHANGE IN NET ASSETS AT 29/09/2023 IN EUR

	29/09/2023	30/09/2022
<b>NET ASSETS AT START OF YEAR</b>	<b>62 419 260,93</b>	<b>172 403 133,82</b>
Subscriptions (including subscription fees retained by the UCI)	5 682 542,64	13 323 546,57
Redemptions (net of redemption fees retained by the UCI)	-11 826 051,66	-96 859 241,69
Realised capital gains on deposits and financial instruments	1 478 360,66	3 704 334,35
Realised capital losses on deposits and financial instruments	-4 744 433,41	-15 676 564,17
Realised capital gains on forward financial instruments	960 024,61	2 465 239,36
Realised capital losses on forward financial instruments	-1 044 128,96	-2 623 028,64
Transaction charges	-172 601,53	-375 888,57
Exchange rate differences	-585 390,42	3 111 598,42
Changes in valuation difference of deposits and financial instruments	8 886 453,88	-16 809 853,48
<i>Valuation difference for financial year N</i>	-3 296 216,33	-12 182 670,21
<i>Valuation difference for financial year N-1</i>	12 182 670,21	-4 627 183,27
Changes in valuation difference of forward financial instruments	-300 483,14	224 141,11
<i>Valuation difference for financial year N</i>	16 467,83	316 950,97
<i>Valuation difference for financial year N-1</i>	-316 950,97	-92 809,86
Distribution of prior year's net capital gains and losses	0,00	0,00
Dividends paid in the previous financial year	0,00	0,00
Net profit/loss for the financial year prior to income adjustment	-169 253,42	-468 156,15
Interim dividend(s) paid on net capital gains/losses during the financial year	0,00	0,00
Interim dividend(s) paid on net income during the financial year	0,00	0,00
Other items	0,00	0,00
<b>NET ASSETS AT END OF YEAR</b>	<b>60 584 300,18</b>	<b>62 419 260,93</b>

### 3. ADDITIONAL INFORMATION

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

	Amount	%
<b>ASSETS</b>		
<b>BONDS AND SIMILAR SECURITIES</b>		
Convertible bonds traded on a regulated or equivalent market	55 517 322,21	91,64
Fixed-rate bonds traded on a regulated or similar market	3 787 411,51	6,25
<b>TOTAL BONDS AND SIMILAR SECURITIES</b>	<b>59 304 733,72</b>	<b>97,89</b>
<b>DEBT SECURITIES</b>		
<b>TOTAL DEBT SECURITIES</b>	<b>0,00</b>	<b>0,00</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SALES OF FINANCIAL INSTRUMENTS</b>		
<b>TOTAL SALES OF FINANCIAL INSTRUMENTS</b>	<b>0,00</b>	<b>0,00</b>
<b>OFF-BALANCE SHEET</b>		
<b>HEDGING TRANSACTIONS</b>		
<b>TOTAL HEDGING TRANSACTIONS</b>	<b>0,00</b>	<b>0,00</b>
<b>OTHER TRANSACTIONS</b>		
Equities	1 426 296,12	2,35
Currency	23 785,72	0,04
<b>TOTAL OTHER TRANSACTIONS</b>	<b>1 450 081,84</b>	<b>2,39</b>

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>ASSETS</b>								
Deposits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Bonds and similar securities	58 187 068,56	96,04	0,00	0,00	1 117 665,16	1,84	0,00	0,00
Debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Financial accounts	0,00	0,00	0,00	0,00	0,00	0,00	1 015 027,32	1,68
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Financial accounts	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>OFF-BALANCE SHEET</b>								
Hedging transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

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

	< 3 months	%	]3 months-1 year]	%	]1 – 3 years]	%	]3 – 5 years]	%	> 5 years	%
<b>ASSETS</b>										
Deposits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Bonds and similar securities	0,00	0,00	6 319 793,54	10,43	25 851 608,12	42,67	19 645 898,15	32,43	7 487 433,91	12,36
Debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Financial accounts	1 015 027,32	1,68	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Financial accounts	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>OFF-BALANCE SHEET</b>										
Hedging transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

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

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

	Currency 1 GBP		Currency 2 USD		Currency 3 CHF		Currency N Other	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>								
Deposits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Equities and similar securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Bonds and similar securities	4 852 735,60	8,01	4 875 196,43	8,05	0,00	0,00	0,00	0,00
Debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
UCI	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Receivables	0,00	0,00	342 338,42	0,57	0,00	0,00	0,00	0,00
Financial accounts	58 735,69	0,10	339 738,26	0,56	56 858,23	0,09	0,00	0,00
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Sales of financial instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Temporary securities transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Liabilities	622 550,15	1,03	2 478 394,33	4,09	0,00	0,00	0,00	0,00
Financial accounts	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>OFF-BALANCE SHEET</b>								
Hedging transactions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other transactions	0,00	0,00	23 785,72	0,04	0,00	0,00	0,00	0,00

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

	Debit/credit item	29/09/2023
<b>RECEIVABLES</b>		
	Forward currency purchases	248 738,42
	Receivables on forward currency sales	3 074 040,04
	Margin cash deposits	93 600,00
<b>TOTAL RECEIVABLES</b>		<b>3 416 378,46</b>
<b>LIABILITIES</b>		
	Forward currency sales	3 100 944,48
	Payables on forward currency purchases	245 809,09
	Fixed management fees	46 465,68
<b>TOTAL LIABILITIES</b>		<b>3 393 219,25</b>
<b>TOTAL LIABILITIES AND RECEIVABLES</b>		<b>23 159,21</b>

### 3.6. SHAREHOLDERS' EQUITY

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

	In shares	In amounts
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares</b>		
Shares subscribed during the financial year	317,475	5 563 485,75
Shares redeemed during the financial year	-259,764	-4 599 833,01
Net balance of subscriptions/redemptions	57,711	963 652,74
Number of shares outstanding at the end of the financial year	2 479,569	
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares</b>		
Shares subscribed during the financial year	0,00	0,00
Shares redeemed during the financial year	-433,000	-6 566 441,88
Net balance of subscriptions/redemptions	-433,000	-6 566 441,88
Number of shares outstanding at the end of the financial year	1 022,222	
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares</b>		
Shares subscribed during the financial year	732,921	119 056,89
Shares redeemed during the financial year	-3 135,848	-504 599,82
Net balance of subscriptions/redemptions	-2 402,927	-385 542,93
Number of shares outstanding at the end of the financial year	5 009,060	
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares</b>		
Shares subscribed during the financial year	0,00	0,00
Shares redeemed during the financial year	-1 081,180	-155 176,95
Net balance of subscriptions/redemptions	-1 081,180	-155 176,95
Number of shares outstanding at the end of the financial year	4 800,997	

### 3.6.2. Subscription and/or redemption fees

	In amounts
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares</b>	
Total subscription and/or redemption fees earned	0,00
Subscription fees acquired	0,00
Redemption fees acquired	0,00
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares</b>	
Total subscription and/or redemption fees earned	0,00
Subscription fees acquired	0,00
Redemption fees acquired	0,00
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares</b>	
Total subscription and/or redemption fees earned	0,00
Subscription fees acquired	0,00
Redemption fees acquired	0,00
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares</b>	
Total subscription and/or redemption fees earned	0,00
Subscription fees acquired	0,00
Redemption fees acquired	0,00

### 3.7. MANAGEMENT FEES

	29/09/2023
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares</b>	
Guarantee fees	0,00
Fixed management fees	376 541,74
Percentage of fixed management fees	0,85
Retrocessions of management fees	<b>0,00</b>
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares</b>	
Guarantee fees	0,00
Fixed management fees	150 337,32
Percentage of fixed management fees	0,90
Retrocessions of management fees	<b>0,00</b>
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares</b>	
Guarantee fees	0,00
Fixed management fees	14 369,43
Percentage of fixed management fees	1,50
Retrocessions of management fees	<b>0,00</b>
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares</b>	
Guarantee fees	0,00
Fixed management fees	11 905,90
Percentage of fixed management fees	1,55
Retrocessions of management fees	<b>0,00</b>

### 3.8. COMMITMENTS RECEIVED AND GIVEN

#### 3.8.1. Guarantees received by the UCI:

None

#### 3.8.2. Other commitments received and/or given:

None

### 3.9. OTHER INFORMATION

#### 3.9.1. Present value of financial instruments held temporarily

	29/09/2023
Securities held under repurchase agreements	0,00
Borrowed securities	0,00

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

	29/09/2023
Financial instruments given as security and retained under their original classification	0,00
Financial instruments received as security and not recorded on the balance sheet	0,00

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

	ISIN code	Name	29/09/2023
Equities			0.00
Bonds			0.00
Negotiable debt securities			0.00
UCI			0.00
Forward financial instruments			0,00
<b>Total group securities</b>			<b>0.00</b>

### 3.10. TABLE OF APPROPRIATION OF DISTRIBUTABLE INCOME

Table of appropriation of distributable income pertaining to net income

	29/09/2023	30/09/2022
<b>Remaining amounts to be allocated</b>		
Retained earnings	0,00	0,00
Net income	-162 617,10	-297 013,08
Interim dividends paid on net income for the financial year	0,00	0,00
<b>Total</b>	<b>-162 617,10</b>	<b>-297 013,08</b>

	29/09/2023	30/09/2022
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Balance brought forward for the financial year	0,00	0,00
Accumulation	-103 609,74	-170 797,74
<b>Total</b>	<b>-103 609,74</b>	<b>-170 797,74</b>

	29/09/2023	30/09/2022
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Balance brought forward for the financial year	0,00	0,00
Accumulation	-45 522,80	-103 326,20
<b>Total</b>	<b>-45 522,80</b>	<b>-103 326,20</b>

	29/09/2023	30/09/2022
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Balance brought forward for the financial year	0,00	0,00
Accumulation	-7 115,30	-13 134,15
<b>Total</b>	<b>-7 115,30</b>	<b>-13 134,15</b>

	29/09/2023	30/09/2022
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Balance brought forward for the financial year	0,00	0,00
Accumulation	-6 369,26	-9 754,99
<b>Total</b>	<b>-6 369,26</b>	<b>-9 754,99</b>

## Table of appropriation of distributable income pertaining to net capital gains and losses

	29/09/2023	30/09/2022
<b>Remaining amounts to be allocated</b>		
Undistributed net capital gains and losses recognised in previous years	0,00	0,00
Net capital gains and losses for the year	-2 917 202,17	-7 463 461,99
Interim dividends paid on net capital gains/losses for the financial year	0,00	0,00
<b>Total</b>	<b>-2 917 202,17</b>	<b>-7 463 461,99</b>

	29/09/2023	30/09/2022
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Accumulation	-2 254 266,16	-4 021 540,41
<b>Total</b>	<b>-2 254 266,16</b>	<b>-4 021 540,41</b>

	29/09/2023	30/09/2022
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Accumulation	-595 854,68	-3 209 930,58
<b>Total</b>	<b>-595 854,68</b>	<b>-3 209 930,58</b>

	29/09/2023	30/09/2022
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Accumulation	-41 476,05	-112 643,37
<b>Total</b>	<b>-41 476,05</b>	<b>-112 643,37</b>

	29/09/2023	30/09/2022
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Accumulation	-25 605,28	-119 347,63
<b>Total</b>	<b>-25 605,28</b>	<b>-119 347,63</b>

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

	30/09/2019	30/09/2020	30/09/2021	30/09/2022	29/09/2023
<b>Global net assets in EUR</b>	<b>97 421 162,11</b>	<b>157 057 651,25</b>	<b>172 403 133,82</b>	<b>62 419 260,93</b>	<b>60 584 300,18</b>
<b>LAZARD CONVERTIBLE EUROPE PC EUR shares in EUR</b>					
Net assets	57 977 510,15	100 037 395,33	115 021 882,08	39 793 778,95	43 414 520,28
Number of shares	2 944,546	4 955,403	5 527,083	2 421,858	2 479,569
Net asset value per share	19 689,79	20 187,53	20 810,59	16 431,09	17 508,89
Accumulation per share pertaining to net capital gains/losses	527,53	157,70	815,93	-1 660,51	-909,13
Accumulation per share pertaining to income	-71,92	-121,09	-121,26	-70,52	-41,78
<b>LAZARD CONVERTIBLE EUROPE PC H-EUR shares in EUR</b>					
Net assets	29 155 423,37	46 702 094,34	47 643 893,65	20 744 506,27	15 702 234,52
Number of shares	1 660,000	2 551,222	2 537,222	1 455,222	1 022,222
Net asset value per share	17 563,50	18 305,77	18 777,97	14 255,21	15 360,88
Accumulation per share pertaining to net capital gains/losses	38,00	346,01	750,94	-2 205,80	-582,90
Accumulation per share pertaining to income	-73,67	-117,30	-119,77	-71,00	-44,53
<b>LAZARD CONVERTIBLE EUROPE RC EUR shares in EUR</b>					
Net assets	7 075 382,57	7 362 865,33	6 925 294,52	1 111 718,65	795 391,27
Number of shares	38 595,805	39 432,240	36 214,554	7 411,987	5 009,060
Net asset value per share	183,31	186,72	191,22	149,98	158,79
Accumulation per share pertaining to net capital gains/losses	4,91	1,46	7,52	-15,19	-8,28
Accumulation per share pertaining to income	-1,81	-2,31	-2,38	-1,77	-1,42
<b>LAZARD CONVERTIBLE EUROPE RC H-EUR shares in EUR</b>					
Net assets	3 212 846,02	2 955 296,25	2 812 063,57	769 257,06	672 154,11
Number of shares	19 550,512	17 367,742	16 215,978	5 882,177	4 800,997
Net asset value per share	164,33	170,16	173,41	130,77	140,00
Accumulation per share pertaining to net capital gains/losses	0,34	3,22	6,96	-20,28	-5,33
Accumulation per share pertaining to income	-1,73	-2,16	-2,26	-1,65	-1,32

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Bonds and similar securities</b>				
<b>Bonds and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
DELIVERY HERO SE 1.0% 23-01-27	EUR	1 000 000	780 373,19	1,29
DELIVERY HERO SE 3.25% 21-02-30	EUR	1 800 000	1 603 037,96	2,64
DEUTSCHE LUFTHANSA AG 2.0% 17-11-25 CV	EUR	700 000	723 329,21	1,19
DEUTSCHE POST AG 0.05% 30/06/2025	EUR	1 000 000	942 216,74	1,55
RAG STIFTUNG 1.875% 16-11-29	EUR	700 000	706 140,30	1,17
RAG STIFTUNG ZCP 17-06-26 CV	EUR	1 400 000	1 276 455,32	2,11
<b>TOTAL GERMANY</b>			<b>6 031 552,72</b>	<b>9,95</b>
<b>BELGIUM</b>				
UMICORE ZCP 23-06-25 CV	EUR	500 000	453 504,02	0,75
<b>TOTAL BELGIUM</b>			<b>453 504,02</b>	<b>0,75</b>
<b>SPAIN</b>				
AMADEUS CM 1.5% 09-04-25 CV	EUR	2 100 000	2 431 947,86	4,01
CELLNEX TELECOM 0.5% 05-07-28 CV	EUR	1 000 000	994 037,82	1,64
CELLNEX TELECOM 2.125% 11-08-30 CV	EUR	2 500 000	2 388 572,46	3,94
INTL CONSOLIDATED AIRLINES GROU 1.125% 18-05-28	EUR	2 400 000	1 996 314,31	3,30
<b>TOTAL SPAIN</b>			<b>7 810 872,45</b>	<b>12,89</b>
<b>UNITED STATES</b>				
JPMORGAN CHASE BANK N A ZCP 10-06-24	EUR	1 600 000	1 643 674,51	2,71
JPMORGAN CHASE BANK N A ZCP 18-02-24	EUR	500 000	501 439,30	0,83
JP MORGAN CHASE FINANCIAL COMPANY LLC ZCP 14-01-25	EUR	1 000 000	1 070 613,14	1,77
<b>TOTAL UNITED STATES</b>			<b>3 215 726,95</b>	<b>5,31</b>
<b>FRANCE</b>				
ACCOR 0.7% 07-12-27 CV	EUR	37 329	1 707 558,59	2,82
BNP PAR ZCP 13-05-25 CV	EUR	900 000	1 064 092,56	1,76
EDENRED ZCP 14-06-28 CV	EUR	15 161	1 006 154,66	1,66
ELIS EX HOLDELIS 2.25% 22-09-29	EUR	600 000	709 076,44	1,18
ORPAR ZCP 20-06-24 CV	EUR	600 000	602 702,44	0,99
SAFRAN 0.875% 15-05-27 CV	EUR	22 563	3 491 855,81	5,76
SCHNEIDER ELECTRIC SE 0.0% 15-06-26	EUR	8 116	1 461 335,41	2,41
SOITEC ZCP 01-10-25 CV	EUR	6 255	1 178 064,37	1,95
SPIE 2.0% 17-01-28 CV	EUR	1 100 000	1 126 924,00	1,86
THALES 0.75% 23-01-25 EMTN	EUR	1 900 000	1 828 414,90	3,02
UBISOFT ENTERTAINMENT 2.375% 15-11-28	EUR	500 000	552 686,32	0,91
VEOLIA ENVIRONNEMENT ZCP 01-01-25	EUR	26 716	825 600,38	1,36
VINCI 1.0% 26-09-25 EMTN	EUR	1 100 000	1 047 558,88	1,73
<b>TOTAL FRANCE</b>			<b>16 602 024,76</b>	<b>27,41</b>
<b>ITALY</b>				
ENI 2.95% 14-09-30 CV EMTN	EUR	900 000	911 437,73	1,50
NEXI ZCP 24-02-28 CV	EUR	800 000	609 094,36	1,01
PIRELLI C ZCP 22-12-25 CV	EUR	900 000	860 700,81	1,42
PRYSMIAN 0.000010% 02-02-26	EUR	1 700 000	1 812 818,00	3,00
SAIPEM 2.875% 11-09-29 CV	EUR	600 000	616 482,70	1,01
<b>TOTAL ITALY</b>			<b>4 810 533,60</b>	<b>7,94</b>
<b>LUXEMBOURG</b>				

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
CITIGROUP GLOBAL MKTS FUNDING AUTRE V+0.0% 15-03-28 CV	EUR	1 100 000	1 117 665,16	1,84
IWG INTL 0.5% 09-12-27 CV	GBP	900 000	855 832,91	1,41
LAGFIN SCA 3.5% 08-06-28 CV	EUR	1 800 000	1 765 143,53	2,92
<b>TOTAL LUXEMBOURG</b>			<b>3 738 641,60</b>	<b>6,17</b>
<b>NETHERLANDS</b>				
AMERICA MOVIL BV ZCP 02-03-24	EUR	3 500 000	3 571 977,29	5,90
JUST EAT TAKEAWAYCOM NV 1.25% 30-04-26	EUR	2 000 000	1 725 070,90	2,85
MERRILL LYNCH BV ZCP 30-01-26	EUR	1 100 000	1 123 963,51	1,85
QIAGEN NV 1.0% 13-11-24 CV	USD	1 800 000	1 728 846,13	2,85
<b>TOTAL NETHERLANDS</b>			<b>8 149 857,83</b>	<b>13,45</b>
<b>UNITED KINGDOM</b>				
BARCLAYS BK ZCP 24-01-25 CV	EUR	300 000	300 173,29	0,49
JET2 1.625% 10-06-26 CV	GBP	1 400 000	1 474 366,72	2,43
OCADO GROUP 0.875% 09-12-25 CV	GBP	900 000	894 930,19	1,48
WH SMITH 1.625% 07-05-26 CV	GBP	1 600 000	1 627 605,78	2,69
<b>TOTAL UNITED KINGDOM</b>			<b>4 297 075,98</b>	<b>7,09</b>
<b>SWEDEN</b>				
FASTIGHETS AB BALDER 3.5% 23-02-28	EUR	1 100 000	1 048 593,51	1,73
<b>TOTAL SWEDEN</b>			<b>1 048 593,51</b>	<b>1,73</b>
<b>SWITZERLAND</b>				
STMICROELECTRONICS NV ZCP 04-08-27	USD	3 000 000	3 146 350,30	5,20
<b>TOTAL SWITZERLAND</b>			<b>3 146 350,30</b>	<b>5,20</b>
<b>TOTAL Bonds and similar securities traded on a regulated or similar market</b>			<b>59 304 733,72</b>	<b>97,89</b>
<b>TOTAL Bonds and similar securities</b>			<b>59 304 733,72</b>	<b>97,89</b>
<b>Forward financial instruments</b>				
<b>Futures contracts</b>				
<b>Futures contracts on a regulated or equivalent market</b>				
BP GBPUSD 1223	USD	-33	62 387,83	0,10
<b>TOTAL Futures contracts on a regulated or equivalent market</b>			<b>62 387,83</b>	<b>0,10</b>
<b>TOTAL Futures contracts</b>			<b>62 387,83</b>	<b>0,10</b>
Options commitments:				
Options on a regulated market				
THALES 12/2024 CALL 140	EUR	136	167 280,00	0,28
VINCI SA 12/2024 CALL 110	EUR	100	74 100,00	0,12
<b>TOTAL Options on a regulated market</b>			<b>241 380,00</b>	<b>0,40</b>
<b>TOTAL Options commitments</b>			<b>241 380,00</b>	<b>0,40</b>
<b>TOTAL Forward financial instruments</b>			<b>303 767,83</b>	<b>0,50</b>
<b>Margin call</b>				
CACEIS MARGIN CALL	USD	-66 053,19	-62 387,90	-0,10
<b>TOTAL Margin call</b>			<b>-62 387,90</b>	<b>-0,10</b>
<b>Receivables</b>			<b>3 416 378,46</b>	<b>5,64</b>
<b>Liabilities</b>			<b>-3 393 219,25</b>	<b>-5,61</b>
<b>Financial accounts</b>			<b>1 015 027,32</b>	<b>1,68</b>
<b>Net assets</b>			<b>60 584 300,18</b>	<b>106,00</b>

LAZARD CONVERTIBLE EUROPE RC EUR shares	EUR	5 009,060	158,79
LAZARD CONVERTIBLE EUROPE PC EUR shares	EUR	2 479,569	17 508,89
LAZARD CONVERTIBLE EUROPE RC H-EUR shares	EUR	4 800,997	140,00
LAZARD CONVERTIBLE EUROPE PC H-EUR shares	EUR	1 022,222	15 360,88

## 7. APPENDIX(ES)

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

**Product name:** LAZARD CONVERTIBLE EUROPE

**Legal entity identifier:** 969500VG5VWN2GLPDQ80

## Environmental and/or social characteristics

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

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

### Did this financial product have a sustainable investment objective?

**Yes**

It made **sustainable investments with an environmental objective:** \_\_\_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

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

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

**No**

It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_\_\_% of sustainable investments

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

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

with a social objective

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



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

Over the twelve months to September 2023, the Fund has sought to maintain an ESG rating above that of the universe and to avoid investing in companies considered to be in breach of the UNGC principles and involved in the production of controversial weapons, military weapons, thermal coal or tobacco. The Fund achieved these environmental/social characteristics over the relevant period by maintaining a higher weighted average ESG rating than the Global Convertibles universe and by not investing in excluded companies, as explained in more detail in the section below on the Fund's sustainability indicators.

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

### How did the sustainability indicators perform?

The results of the sustainability indicators are as follows:

The ESG score was higher than that of the benchmark convertible bond universe (see below)



September 2023, based on an average of 12 months outstandings  
Scores range from -5 to +5. The highest ESG score is better than the universe score  
Source: Lazard, Sustainalytics

- 1- The fund has not been exposed to companies considered by the investment manager not to comply with the UNGC principles.
- 2- The fund is not exposed to companies covered by the exclusion criteria relating to controversial weapons production, military weapons production, thermal coal mining or production, or tobacco production.

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

### ...and compared to previous periods?

N/A

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

N/A The Fund has not made any sustainable investments.

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

N/A

### How have the indicators for adverse impacts on sustainability factors been

***taken into account?***

*N/A*

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

*N/A*

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

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

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



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

The Fund examined a selection of the principal adverse impacts (PAIs) on sustainability factors using several methods, where data was available, during the reference period.

### Exclusions

Thanks to general pre-investment rules and activity-based exclusions, investments in certain companies or countries have been avoided, thereby mitigating potential negative impacts on sustainable development. Specific exclusion criteria are available in the relevant pre-contractual disclosure for the Fund.

### PESC integration and investment due diligence

Significant environmental and social issues included in the mandatory PAI indicators have been integrated as part of the investment manager's own research during the period, taking into account, in particular, sectoral and geographical factors that affect the significance and relevance of the PAIs for each investment. The investment manager has also referred to third party ESG research and data for additional information and relative positioning within the sector and universe. By integrating these ESG considerations into the investment process, the investment manager can reduce or avoid the potential adverse impacts of investments on sustainable development.

### Management activities

Although engagement is not directly linked to the specific environmental or social characteristics of the Fund, the investment manager has taken into account negative impacts on sustainability factors through actions such as engagement and voting on ESG issues. During the period, the investment manager carried out assignments focusing on major PAIs.

Further information on the environmental performance indicators taken into account can be found in the pre-contractual disclosure for the Fund.



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/10/2023 - 30/09/2024

Largest investments	Sector	Percentage of assets	Country
1. Schneider Electric SE	Industry	5.30%	France
2. STMicroelectronics NV	Information Technology	5.10%	Switzerland
3. Evonik Industries AG	Basic materials	4.22%	Germany
4. Cellnex Telecom SA	Communication services	4.19%	Spain
5. Saipem SpA	Oil & gas	3.77%	Italy
6. Eni SpA	Oil & gas	3.68%	Italy
7. Thales SA	Industry	3.40%	France

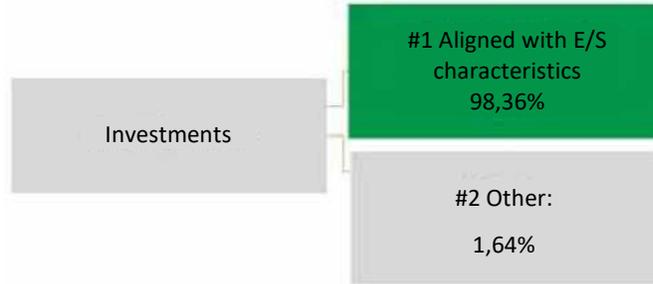
<b>8.</b>	IAG	Industry	3.36%	United Kingdom
<b>9.</b>	Amadeus IT Group SA	Discretionary consumption	3.29%	Spain
<b>10.</b>	SPIE SA	Industry	2.86%	France
<b>11.</b>	Davide Campari-Milano NV	Non-cyclical consumption	2.84%	Italy
<b>12.</b>	Accor SA	Discretionary consumption	2.80%	France
<b>13.</b>	Safran SA	Industry	2.80%	France
<b>14.</b>	Delivery Hero SE	Discretionary consumption	2.71%	Germany
<b>15.</b>	Fastighets AB Balder	Real Estate	2.64%	Sweden

**Note:** The proportion of investments is shown as the average position size over the reference period.



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

- **What was the asset allocation?**

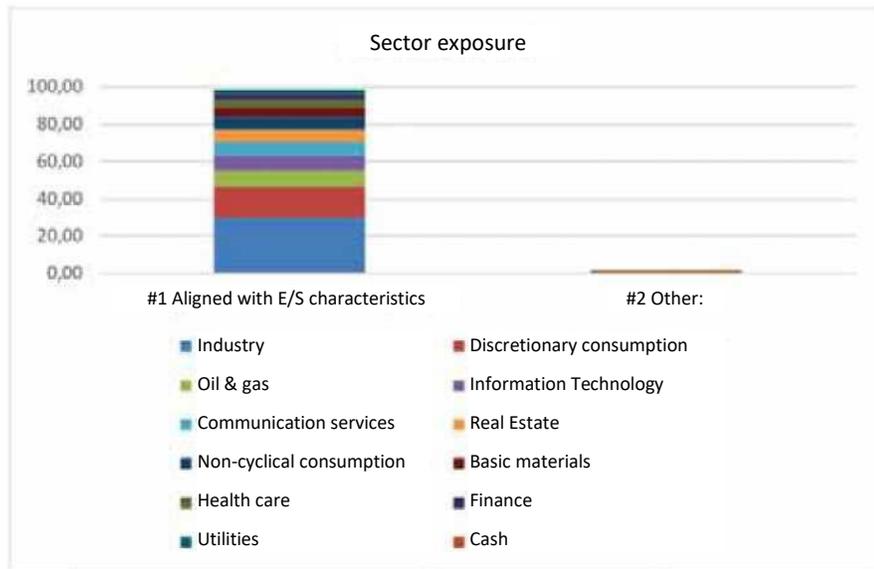


**Asset allocation** describes the share of investments in specific assets.

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

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

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



Sector	Weighting in the portfolio (%)
Industry	29.85%
Discretionary consumption	16.69%
Oil & gas	8.61%
Information Technology	7.75%
Communication services	7.61%
Real Estate	6.72%

Non-cyclical consumption	6.45%
Basic materials	5.33%
Health care	3.68%
Finance	3.04%
Utilities	2.64%
Other	1.64%

**Note:** Based on GICS sector definitions. Sector allocations are shown net of any exposure to cash or derivatives in the Fund.

The average exposure to fossil fuel activities was 5,06% over the period.

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

N/A. The fund did not make any sustainable investments. Accordingly, the fund was not at all aligned with the objectives of the EU taxonomy

• **Did the financial product invest in Taxonomy aligned fossil fuel and/or nuclear energy activities?**

Yes

In fossil gas  In nuclear energy

No

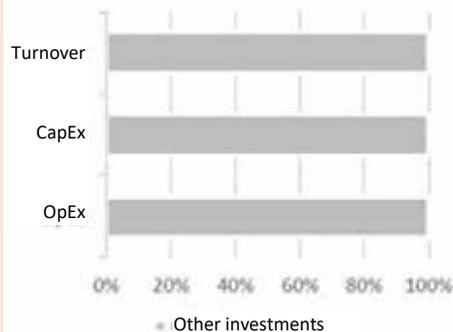
*The graphs below show in blue the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product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

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

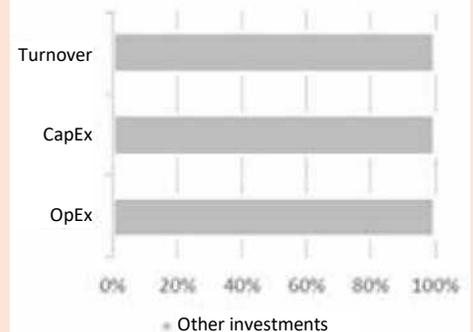
Taxonomy-aligned activities are expressed as a share of:

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

1. Taxonomy-alignment of investments including sovereign bonds\*



2. Taxonomy-alignment of investments excluding sovereign bonds\*



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

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

Not applicable. The fund did not make any investments aligned with the taxonomy during the reference period.

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

N/A



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



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

N/A The Fund did not make any sustainable investments during the reference period.



**What was the share of socially sustainable investments?**

N/A. The Fund did not make any sustainable investments during the reference period.



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

"#2 Other" includes other Fund investments and instruments that cannot be aligned with the Fund's environmental and/or social characteristics. These include derivatives for hedging purposes, cash and cash equivalents, which are used for efficient portfolio management and liquidity purposes.



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

During the reporting period, the Investment Manager integrated ESG considerations into investment research and due diligence, selecting investments to promote the relevant environmental and/or social characteristics of the Fund based on the specific investment strategy and applying binding criteria set out in the Fund's pre-contractual disclosure.

Although engagement is not directly linked to the specific environmental or social characteristics of the fund, the investment manager may have undertaken some management activities, through constructive dialogue with senior management representatives, to share views where appropriate, and to support companies undertaking positive change. The investment manager strives to integrate the findings of management activities into investment decisions, and vice versa, in order to enhance long-term value.



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

The Fund has not designated an index as a benchmark for attaining the environmental or social characteristics it promotes.

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

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

N/A

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

N/A

- ***How did this financial product perform compared with the reference benchmark?***

N/A

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

N/A