

**French open-end investment fund  
(SICAV)**

**LAZARD SMALL CAPS EURO SRI**

**ANNUAL REPORT**

as of September 30th, 2024

**Management company: Lazard Frères Gestion SAS  
Custodian: Lazard Frères Banque  
Statutory auditor: Deloitte & Associés**

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

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## 1. CHARACTERISTICS OF THE UCI

### LEGAL FORM

French open-end investment company (Société d'Investissement à Capital Variable - SICAV)

### CLASSIFICATION

Eurozone country equities.

### 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, directors' fees and all income generated by the securities that make up the UCI's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.
- 2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

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

I, R and T shares: The appropriation of distributable income is decided each year by the Shareholders' Meeting. It may pay interim dividends.

### INVESTMENT OBJECTIVE

The investment objective is to achieve, through a Socially Responsible Investment (SRI) management approach, a performance net of fees that exceeds that of the following benchmark over the recommended investment period of five years: MSCI EMU Small Cap. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

### BENCHMARK INDEX

MSCI EMU Small Cap

The MSCI EMU Small Cap index is a representative index of small caps in the 10 developed countries of the EMU (European Economic and Monetary Union).

The data are available on: [www.msci.com](http://www.msci.com)

Bloomberg code: M7EMSC

### INVESTMENT STRATEGY

#### 1. Strategies used

A company's rate of return on invested capital above the cost of capital reflects its economic performance. This performance is reflected in the stock market performance over the long term. Accordingly, the strategy applied within the SICAV is based on the following:

- A best-in-universe approach that consists in favouring the issuers with the best non-financial ratings, irrespective of their business sector;
- Identifying companies with the best economic performance profiles;
- Verifying that performance through financial analysis and examination of underlying strategies;
- Selecting stocks from such companies according to the market's undervaluation of that performance at a given time;
- Building a portfolio within the Eurozone but with no other geographical or sectoral restrictions.

The focus on achieving the optimum ratio between the company's economic performance and valuation may result in wide divergences between the SICAV's performance and its sector and/or country mix and those of the underlying asset class, i.e. small and mid caps from the Eurozone.

The minimum degree of exposure to the Eurozone equity markets is 75% of the SICAV's net assets.

## **ESG analysis and selection**

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

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

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

## **SRI management**

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

The UCI is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. The inclusion of ESG criteria influences the analysis of companies held in the portfolio, stock picking and weighting.

In order to meet the SRI label management criteria, the analyst-managers ensure that the fund's ESG rating is higher than the average of the 80% best-rated companies in its SRI investment universe. If this rule is no longer complied with, then the managers would have a period of 6 months to bring the SICAV back into compliance.

For the sake of integrity and objectivity, the ratings used for SRI management are obtained with the support of an independent external partner specialising in non-financial ratings of small and mid cap companies.

A company's ESG rating is based on an absolute rating scale of 0 to 100, with 100 being the highest score. The ratings used for management purposes correspond to four pillars:

- The Corporate Governance pillar:  
Composition of governance bodies  
Operation of governance bodies  
CSR policy, non-financial issues and implementation of the Non-Financial Performance Statement (NFPS)
- The Social pillar:  
Working conditions  
Health and safety
- The Environment pillar:  
Environmental policy and management system
- The External Stakeholders pillar:  
Relations with suppliers  
Relations with clients, civil society and product liability

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

The fund's SRI investment universe consists of the companies covered by our external partner that are listed in the Eurozone and whose capitalisation is between €100m and €2bn.

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

In order to assess the ESG performance of each issuer, the following impact indicators are reported on at least once a year:

- Environmental performance:

Carbon intensity of the portfolio, expressed in tonnes of CO<sub>2</sub> equivalent per €m of revenue

- Social performance:

Commitment to the promotion of social dialogue

- Human rights performance:

Signatory to the United Nations Global Compact

- Governance performance:

Formalisation of a business conduct and anti-corruption policy

In addition, within the framework of the Label Relance, two investment rules supplement the investment policy indicated below:

- At least 30% of the SICAV's assets will be invested in equity instruments issued by companies whose registered office is located in France.

- At least 10% of the SICAV's assets will be invested in equity instruments issued by listed or unlisted French VSEs, SMEs or mid-caps.

The analyst-managers also undertake to exclude companies involved in coal-related activities from the SICAV's portfolio.

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

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

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

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

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

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

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

## 2. Assets excluding derivatives

### **Equities:**

Eurozone small and mid caps.

Delisted stocks (to a maximum of 5% of net assets).

### **Debt securities and instruments:**

French and foreign negotiable debt securities (mainly French and US treasury bills and BTAN medium-term treasury notes).

### **UCIs:**

The manager may invest up to a maximum of 10% in UCITS-compliant or alternative investment funds.

These UCIs may be managed by the management company.

The SICAV is an eligible investment for a French equity savings plan (PEA) and therefore maintains a minimum of 75% of the assets as PEA eligible securities.

## 3. Derivatives

- Types of markets:

regulated

organised

OTC

- The manager intends to seek exposure to:

equities

interest rates

foreign exchange

credit

other risks

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

hedging

exposure

arbitrage

other

- Types of instruments used:

**futures:**

equity and equity indices

interest rate

foreign exchange

other

**options:**

equity and equity indices

interest rate

foreign exchange

other

**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 acquisition of these securities is not part of the SICAV's strategy. However, the manager may invest in any securities with embedded derivatives permitted under the management company's business plan, notably warrants, certificates or rights acquired following transactions involving the portfolio securities.

#### **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 SICAV may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash. Any cash collateral received is reinvested in accordance with the applicable rules. All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility. Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

### **RISK PROFILE**

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.

#### **▪ 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.

#### **▪ 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.

▪ **Counterparty risk:**

This is a risk associated with the use of OTC forward financial instruments. 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.

▪ **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.

▪ **Derivative financial instrument risk**

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

▪ **Sustainability risk**

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

▪ **ESG investment risk and methodological limitations**

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

**GUARANTEE OR PROTECTION**

None.

**ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

I and R shares: all subscribers.

\* T shares - Authorised investors and minimum subscription amount:

- No minimum subscription amount for (i) UCIs managed by the management company or (ii) the management company in the context of proprietary investment;
- No minimum subscription amount for (i) investors subject to MiFID II (solely and exclusively in the context of their independent advisory activities or the provision of third-party investment management services) or (ii) investors that do not receive retrocession payments on their activities in foreign countries that are not subject to this directive, subject to the prior agreement of the management company;
- An initial minimum subscription amount of €500 000 for all other investors.

The instruments and strategies used are that of an aggressive investment profile. The SICAV is intended for investors seeking exposure to small- and mid-cap markets.

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



**Information on Russian and Belarusian investors**

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

**Information on US investors:**

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

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

**FATCA:**

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

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

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

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

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

## 2. CHANGES AFFECTING THE UCI

The Extraordinary Shareholders' Meeting of the **LAZARD SMALL CAPS EURO SRI** SICAV (ISIN code: FR0010689141), on 16/11/2023 decided to introduce a cap on redemption requests ("Gates").

- **Effective date: 21/11/2023**

### 3. CORPORATE GOVERNANCE REPORT

I. List of offices held in public limited companies (SA) and/or open-ended investment companies (SICAV) having their registered office in France

Names of Directors (natural persons in office at 30/09/2024)	Number of mandates (SICAVs/SAs)	List of offices and positions in SAs and SICAVs
Sylvain Mortera	3	<ul style="list-style-type: none"> <li>- Chairman of the Board of Directors of the Lazard Small Caps Euro SRI SICAV</li> <li>- Board member of the SICAVs:               <ul style="list-style-type: none"> <li>. Lazard Convertible Global</li> <li>. Amundi Oblig Internationales</li> </ul> </li> </ul>
François de Saint-Pierre <i>Managing Director of Lazard Frères Gestion SAS</i>	5	<ul style="list-style-type: none"> <li>- Chairman of the Board of Directors of the SICAV Objectif Monde</li> <li>- Chairman and Chief Executive Officer of Objectif Gestion Mondiale</li> <li>- Board member of the SICAVs:               <ul style="list-style-type: none"> <li>. Lazard Small Caps Euro SRI</li> <li>. Lazard Equity SRI</li> <li>. T3SO</li> </ul> </li> </ul>
François-Marc Durand <i>Chairman of Lazard Frères Gestion SAS</i>	4	<ul style="list-style-type: none"> <li>- Chairman and Chief Executive Officer of the SICAVs:               <ul style="list-style-type: none"> <li>. Lazard Alpha Allocation</li> <li>. Norden SRI</li> </ul> </li> <li>- Board member of the SICAVs:               <ul style="list-style-type: none"> <li>. Lazard Small Caps Euro SRI</li> <li>. Lazard Funds (<i>SICAV with Sub-funds</i>)</li> </ul> </li> </ul>
Monica Nescaut <i>Managing Director of Lazard Frères Gestion SAS</i>	5	<ul style="list-style-type: none"> <li>- Member of the Boards of Directors of the SICAVs:               <ul style="list-style-type: none"> <li>. Lazard Small Caps Euro SRI</li> <li>. Lazard Funds (<i>SICAV with Sub-funds</i>)</li> <li>. Norden SRI</li> <li>. Lazard Equity SRI</li> <li>. Lazard Convertible Global</li> </ul> </li> </ul>

## II. Directors' fees

<b>Members of the Board of Directors</b>	<b>Directors' fees paid by the SICAV</b>
Sylvain Mortera	€ 7.623
François de Saint-Pierre <i>Managing Director of Lazard Frères Gestion SAS</i>	0
François-Marc Durand <i>Chairman of Lazard Frères Gestion SAS</i>	0
Monica Nescaut <i>Managing Director of Lazard Frères Gestion SAS</i>	0
Lazard Frères Gestion SAS Represented by Thomas Brenier	0
SMAVie BTP	€ 1.525
La Mondiale	€ 1.525
Caisse Centrale de Réassurance – CCR	€ 1 525

## III. Agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code

The SICAV was not informed of the conclusion of any agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code during the financial year ended September 30th, 2024.

## IV. Table of currently valid delegations of powers granted by the Shareholders' Meeting, as stipulated in Article L. 225-37-4 para.3 of the French Commercial Code

No delegation of authority pursuant to Article L. 225-37-4 para.3 of the French Commercial Code was granted or was ongoing during the financial year ended September 30th, 2024.

## V. Method of operation of the general management

The Board of Directors decided to separate the functions of Chairman of the Board of Directors from that of Chief Executive Officer.

## 4. MANAGEMENT REPORT

### PERFORMANCE

#### I shares

The net asset value rose from €844,65 on September 29th, 2023 to €929,82 on September 30th, 2024, which equates to an increase of 10,08%.

#### R shares

The net asset value rose from € 1 582,43 on September 29th, 2023 to € 1 735,88 on September 30th, 2024, which equates to an increase of 9,70%.

#### T shares

The net asset value rose from € 186,91 on September 29th, 2023 to € 206,28 on September 30th, 2024, which equates to an increase of 10,36%.

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

**The performance of the MSCI EMU Small Cap index over the period was: 11,91%.**

### ECONOMIC ENVIRONMENT

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**

The net asset value of the SICAV Lazard Small Caps Euro SRI (I shares) rose by 10,08% in the financial year ended September 30th, 2024. By way of comparison, the MSCI EMU Small Cap index gained 11,91% and the Euro Stoxx index (representing large caps) 20,02% over the same period. The SICAV's volatility fell to 12,61% over the last financial year and 15,87% over three years, calculated on a weekly basis. The average proportion of investments in securities over the year was 97,16%.

The prospect of interest rates stabilising over the year underpinned the performance of equity indices, particularly from the start of 2024. The Euro Stoxx index gained 20,02% over the year, including 11,32% in the first nine months of 2024. However, UCITS invested in small caps continued to record outflows during the year. Against this backdrop, the MSCI EMU Small Cap index gained 11,91% over the year and 3,28% over the first nine months of 2024, lagging behind large caps. We believe that the underperformance of small- and mid-caps is mainly due to a general trend towards risk reduction, which is traditionally negative for small caps. We believe that the valuation levels of small caps, unlike large caps, already factor in an economic downturn, and the discount between small caps and large caps has reached a 20-year high.

However, the economic performance of many stocks in the portfolio remained strong, resulting in significant gains over the year. The German specialty chemicals company Alzchem (+145% over the year) recorded a significant increase in its earnings over the year, driven by the continued improvement in its mix. Finnish crane manufacturer Cargotec (+111%) also posted a very good economic performance over the period, and completed the spin-off of its Kalmar port crane production business, which has been retained in the portfolio. The French survey-based research company Ipsos (+33%) also recorded a significant increase in its earnings over the period. Takeover bids also underpinned performance, particularly those for the Dutch spirits group Lucas Bols (+72% over the financial year up to the launch of the offer) and the Italian manufacturer of equipment for the plastics industry Piovan (+55%), both of which were fully or partially acquired by their reference shareholders.

Conversely, French outsourced R&D group Alten (-20% over the year) suffered from a temporary downturn in demand in its main markets, which led it to revise its annual targets. German distributor of small professional equipment Takkt (-20%) saw its sales and margins fall during the year, while Austrian cardboard and packaging producer Mayr-Melnhof Karton (-30%), which had benefited from buoyant demand following the pandemic, is now facing lower prices in the European cardboard market, on the back of persistently weak demand. Lastly, Manitou (13%) in France and Norma (-13%) in Germany posted a decline despite the increase in their earnings and margins over the period.

Between September 29th, 2023 and September 30th, 2024, we initiated several new positions in the portfolio, taking advantage of attractive valuation levels on certain stocks: the first in Assystem, a French engineering company specialising in nuclear power, following the sale of its stake in Framatome, which we felt was not reflected in its share price; the second in Comer Industries, an Italian manufacturer of transmissions and other mechatronic products for industrial and agricultural vehicles. These new positions were financed in particular by the exit of two portfolio stocks targeted by takeover bids, Ordina (which had been the subject of a bid announced by Sopra Steria during the previous financial year) and Lucas Bols. We also sold the remainder of our position in Nexity, as the group's earnings power is likely to remain limited over the next few years.

In the future, we will continue to apply the same methodology in managing the portfolio: we believe the fund's investment strategy, based on selecting highly profitable companies with low debt levels (leverage of less than 1x) and undervalued by the market, is highly appropriate in the current environment. Despite the uncertainties linked to the current environment, we believe these same companies have very significant upside potential, given the strength of their earnings growth through the cycle and their valuation level, which we believe is discounted and already priced in a pessimistic scenario.

## Main changes in the portfolio during the year

Securities	Changes (“accounting currency”)	
	Purchases	Sales
LAZARD EURO SHORT TERM MONEY MARKET	157 210 326,63	154 454 048,30
ORDINA NV	-	19 264 874,75
ASSYTEM BRIME	18 074 479,84	-
ALTEN SA	13 673 218,47	-
LUCAS BOLS NV	-	13 543 200,00
INTERPUMP GROUP	9 353 832,40	574 638,00
THERMADOR GROUPE	9 854 738,59	-
FISKARS OYJ A	9 734 634,56	-
PIOVAN SPA	8 254 099,70	412 500,00
SOPRA STERIA	5 530 404,23	2 386 608,80



## 5. 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: -**

- o Currency forwards: -
- o Futures: -
- o Options: -
- o Swaps: -

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

Efficient portfolio management techniques	Derivative financial instruments (*)
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 (EUR)**

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

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

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

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

### **BROKERAGE FEES**

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

### **EXERCISING VOTING RIGHTS**

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

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

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

## **PEA employee savings fund**

Pursuant to the provisions of Article 91, quater L Appendix 2 of the French General Tax Code, a minimum of 75% of the Fund/SICAV is permanently invested in the securities and rights mentioned in points a, b and c, section 1°, I of Article L. 221-31 of the French Monetary and Financial Code.

Proportion actually invested during the financial year: 89%.

## **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 in 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)

## 6. CERTIFICATION BY THE STATUTORY AUDITOR



Deloitte & Associés  
6 place de la Pyramide  
92908 Paris-La Défense Cedex  
France  
Tel + 33 (0) 1 40 88 28 00  
www.delo/Ete.fr

**Postal address:**  
TSA 20303  
92030 Paris La Défense Cedex France

# LAZARD SMALL CAPS EURO SRI

French open-end investment company (Société d'Investissement à Capital Variable)

10 avenue Percier  
75008 Paris

## Statutory auditor's report on the annual financial statements

Financial year ended September 30th, 2024

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To the Shareholders' Meeting,

### Opinion

In accordance with the terms of our appointment by your board of directors, we conducted our audit of the accompanying annual financial statements of the Undertaking for Collective Investment LAZARD SMALL CAPS EURO SRI, incorporated as a French open-end investment company (SICAV), 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 Fund at the end of said financial year, in accordance with the accounting rules and principles generally accepted in France.

### Opinion on the annual financial statements

#### Audit standards

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

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



### **Independence**

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

### **Basis of our opinions**

In accordance with the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you that the most important assessments we carried out, in our professional judgement, focused on the appropriateness of the accounting principles applied, the reasonableness of significant estimates used, and the presentation of all 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.

### **Information provided in the management report, other financial reports and the annual financial statements addressed to the shareholders**

We have no matters to report regarding the true and fair presentation of the information provided in the Board of Directors' management report and in the documents sent to shareholders on the company's financial position and the annual financial statements, or its consistency with the annual financial statements.

### **Information on corporate governance**

We certify that the information required under Article L. 225-37-4 of the French Commercial Code is provided in the section of the board of directors' management report on corporate governance.

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

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

As part of the preparation of the annual financial statements, the management is responsible for assessing the SICAV'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 SICAV or terminate its activity.





The Board of Directors is responsible for the preparation of the annual financial statements.

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

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

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

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

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



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

Paris La Défense, December 2nd, 2024

The Statutory Auditor  
Deloitte & Associés

A blue shield-shaped logo with a white checkmark inside, followed by a handwritten signature in black ink.

Olivier GALIENNE



Deloitte & Associés  
6 place de la Pyramide  
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France  
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92030 Paris La Défense

# LAZARD SMALL CAPS EURO SRI

French open-end investment company with sub-funds (Société d'Investissement à Capital Variable à compartiments)

10, avenue Percier  
75008 Paris, France

## Statutory Auditor's special report on regulated agreements

Shareholders' meeting to approve the financial statements for the financial year ended September 30th, 2024

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To the Shareholders' Meeting,

In our capacity as statutory auditors of your company, we hereby present to you our report on related party agreements.

We are required to report to you, based on the information we have been provided, on the main characteristics and terms of any agreements disclosed to us or that we may have discovered during our audit, without being required to comment on their relevance or substance, or to identify any other agreements. It is your responsibility, pursuant to the terms of Article R. 225-31 of the French Commercial Code, to assess the benefits of entering into these agreements, prior to approving them.

We are also required, where applicable, to report to you as provided for in Article R. 225-31 of the French Commercial Code on the performance over the past year of any agreements already approved by the shareholders' meeting.

We have performed those checks that we considered necessary in accordance with the professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this operation.



**AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING**

**Agreements entered into during the past financial year**

We hereby inform you that we have not been advised of any agreement authorised during the past financial year to be submitted to the approval of the shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.

**AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING**

We hereby inform you that we have not been advised of any agreement already approved by the shareholders' meeting that remained effective during the past financial year.

Paris La Défense, December 2nd, 2024

The Statutory Auditor  
Deloitte & Associés

A blue shield-shaped logo with a white checkmark inside, followed by a handwritten signature in black ink.

Olivier GALIENNE

## 7. 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>	<b>644 312 920,43</b>
Traded on a regulated or equivalent market	644 312 920,43
Not traded on a regulated or equivalent market	-
<b>Bonds convertible into shares (B)</b>	-
Traded on a regulated or equivalent market	-
Not traded on a regulated or equivalent market	-
<b>Bonds and similar securities (C)</b>	-
Traded on a regulated or equivalent market	-
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>	<b>3 695 510,01</b>
UCITS	3 695 510,01
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>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>648 008 430,44</b>
<b>Receivables and prepayments and accrued income</b>	<b>1 358 058,08</b>
<b>Financial accounts</b>	<b>250 148,87</b>
<b>Sub-total assets other than eligible assets II</b>	<b>1 608 206,95</b>
<b>Total assets I+II</b>	<b>649 616 637,39</b>

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

Balance sheet liabilities as at 30/09/2024 in EUR	30/09/2024
<b>Shareholders' equity:</b>	
Share capital	587 612 349,58
Net income carried forward	-
Net realised gains and losses carried forward	-
Net income for the year	59 109 648,30
<b>Shareholders' equity I</b>	<b>646 721 997,88</b>
<b>Financing liabilities II (*)</b>	<b>-</b>
<b>Equity and financing liabilities (I+II)</b>	<b>646 721 997,88</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>-</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>-</b>
<b>Other liabilities:</b>	
Liabilities and accrued charges and deferred income	2 894 639,51
Bank overdrafts	-
<b>Sub-total other liabilities IV</b>	<b>2 894 639,51</b>
<b>Total liabilities: I+II+III+IV</b>	<b>649 616 637,39</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	28 114 135,46
Income from bonds	-
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	-
<b>Sub-total income from financial transactions</b>	<b>28 114 135,46</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>28 114 135,46</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	-11 245 232,12
Audit and research fees for private equity funds	-
Taxes and duties	-
Other expenses	-
<b>Sub-total other income and other expenses (B)</b>	<b>-11 245 232,12</b>
<b>Sub-total net income before accruals (C = A-B)</b>	<b>16 868 903,34</b>
<b>Adjustment of net income for the year (D)</b>	<b>-891 227,51</b>
<b>Sub-total net income I = (C+D)</b>	<b>15 977 675,83</b>
<b>Net realised gains/losses before accruals:</b>	
Realised capital gains/losses	-2 110 572,32
External transaction and disposal costs	-1 152 467,09
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>-3 263 039,41</b>
<b>Adjustment of net realised capital gains/losses (F)</b>	<b>3 037 847,61</b>
<b>Net realised gains/losses II = (E+F)</b>	<b>-225 191,80</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	30 508 524,66
Exchange differences on foreign currency accounts	-
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>30 508 524,66</b>
<b>Adjustment of net unrealised capital gains/losses (H)</b>	<b>12 848 639,61</b>
<b>Net unrealised gains/losses III = (G+H)</b>	<b>43 357 164,27</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 in respect of the financial year IV = (D+K)</b>	<b>-</b>
<b>Corporate income tax V (*)</b>	<b>-</b>
<b>Net income I + II + III + IV + V</b>	<b>59 109 648,30</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 Fund aims to outperform, over a recommended minimum investment period of five years and net of expenses, Eurozone small and mid-caps, represented by the MSCI EMU Small Cap, net dividends 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>490 923 203,18</b>	<b>745 072 127,09</b>	<b>420 290 287,00</b>	<b>480 005 093,27</b>	<b>646 721 997,88</b>
<b>LAZARD SMALL CAPS EURO SRI I shares in EUR</b>					
Net assets	440 774 331,84	615 598 859,98	359 411 839,37	407 278 817,71	564 693 208,77
Number of units	650 720,018	641 115,458	504 625,664	482 181,117	607 313,238
Net asset value per unit	677,36	960,19	712,23	844,65	929,82
Accumulation per unit pertaining to net capital gains and losses	0,17	15,99	71,95	70,81	-0,32
Accumulation per unit pertaining to income	-3,89	3,21	6,52	11,31	23,16
<b>LAZARD SMALL CAPS EURO SRI R shares in EUR</b>					
Net assets	43 339 801,63	75 519 092,66	43 718 294,39	46 339 763,96	57 098 620,58
Number of units	33 795,817	41 688,240	32 649,664	29 283,756	32 893,095
Net asset value per unit	1 282,40	1 811,52	1 339,01	1 582,43	1 735,88
Accumulation per unit pertaining to net capital gains and losses	0,32	30,21	135,57	132,96	-0,47
Accumulation per unit pertaining to income	-11,82	0,27	6,41	15,53	37,17
<b>LAZARD SMALL CAPS EURO SRI T shares in EUR</b>					
Net assets	6 809 069,71	53 954 174,45	17 160 153,24	26 386 511,60	24 930 168,53
Number of units	45 609,512	254 667,227	108 914,495	141 168,600	120 851,358
Net asset value per unit	149,29	211,86	157,55	186,91	206,28
Accumulation per unit pertaining to net capital gains and losses	0,03	3,51	15,89	15,61	-0,09
Accumulation per unit pertaining to income	-0,27	0,90	1,98	2,64	5,67

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

## Asset valuation rules

Financial instruments and securities traded on a regulated market are valued at their market price. Valuation rules may be specific for dated UCIs. The UCI will be valued at the ask price during the subscription period and at the bid price once it is closed.

Marketable securities:

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

- **Fixed-income securities**

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

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

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

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

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

- **Negotiable debt securities:**

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

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

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

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

- **Temporary purchases and sales of securities**

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

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

- **Futures and options**

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

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

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

Products traded on a non-regulated market are valued on a market-to-market basis using conventional valuation models.

## 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 there is a rating for the issue, this is used at the expense of the issuer's 2nd level rating: the lowest long-term rating is used from among 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) using the following formula:

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

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

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

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

These fees do not include transaction charges.

Costs charged to the UCI	Basis	Share	Maximum rate (incl. taxes)		
Financial management fees	Net assets	I	1,830%		
		R	2,180%		
		T	1,430%		
Operating and other service fees	Net assets	Applied to all shares	0,020%		
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	French equities	Up to €100 000 100 000€	0,48%
				From €100 001 to €200 000	0,31%
				From € 200 001 to 300 000€	0,24%
				More than 300 000€	0,17%
			Eurozone equities excluding France	Up to 100 000€	0,72%
				From 100 001€ to 200 000 €	0,47%
				From 200 001 to 300 000€	0,36%
				More than 300 000€	0,25%
			Fixed-income instruments	None	
			Futures and other transactions	From €0 to €450 per batch/contract	
Performance fees	Net assets	I, R	None		
		T	20% of the Fund's outperformance relative to the benchmark index		

### **Retrocessions received on management fees or entry charges**

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

- If the amount is significant, a provision is recognised in account 61719.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

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

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

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

### **Calculation method**

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

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

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

### **Observation period**

The first observation period will start with a period of twelve months starting on 01/10/2021. At the end of each financial year, one of the following two cases may occur:

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

### **Provisioning**

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

### **Crystallisation**

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

The first crystallisation period will end on the last day of the financial year ending on 30/09/2022.

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

### **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.

**Appropriation of distributable income:**

Share(s)	Appropriation of net income	Appropriation of net realised capital gains or losses
LAZARD SMALL CAPS EURO SRI I shares	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD SMALL CAPS EURO SRI T shares	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD SMALL CAPS EURO SRI R shares	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV



## 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 start of year</b>	<b>480 005 093,27</b>
<b>Cash flow for the year:</b>	
Subscriptions called (including subscription fee retained by the UCI)	251 969 675,99
Redemptions (net of redemption fee retained by the UCI)	-129 367 159,97
Net income for the year before accruals	16 868 903,34
Net realised capital gains/losses before accruals	-3 263 039,41
Change in unrealised gains/losses before accruals	30 508 524,66
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 end of year (= Net assets)</b>	<b>646 721 997,88</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 equity	In amounts
<b>LAZARD SMALL CAPS EURO SRI I shares</b>		
Shares subscribed during the financial year	233 293,474	220 649 139,91
Shares redeemed during the financial year	-108 161,353	-100 732 139,80
Net balance of subscriptions/redemptions	125 132,121	119 917 000,11
Number of shares outstanding at the end of the financial year	607 313,238	
<b>LAZARD SMALL CAPS EURO SRI R shares</b>		
Shares subscribed during the financial year	10 528,110	18 650 213,01
Shares redeemed during the financial year	-6 918,771	-12 064 874,21
Net balance of subscriptions/redemptions	3 609,339	6 585 338,80
Number of shares outstanding at the end of the financial year	32 893,095	
<b>LAZARD SMALL CAPS EURO SRI T shares</b>		
Shares subscribed during the financial year	59 039,345	12 670 323,07
Shares redeemed during the financial year	-79 356,587	-16 570 145,96
Net balance of subscriptions/redemptions	-20 317,242	-3 899 822,89
Number of shares outstanding at the end of the financial year	120 851,358	

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

	In amounts
<b>LAZARD SMALL CAPS EURO SRI I shares</b>	
Total subscription and/or redemption fees earned	-
Subscription fees acquired	-
Redemption fees acquired	-
<b>LAZARD SMALL CAPS EURO SRI R shares</b>	
Total subscription and/or redemption fees earned	-
Subscription fees acquired	-
Redemption fees acquired	-
<b>LAZARD SMALL CAPS EURO SRI T 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

Share name 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 SMALL CAPS EURO SRI I FR0000174310	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV	EUR	564 693 208,77	607 313,238	929,82
LAZARD SMALL CAPS EURO SRI R FR0010689141	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV	EUR	57 098 620,58	32 893,095	1 735,88
LAZARD SMALL CAPS EURO SRI T FR0013284536	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV	EUR	24 930 168,53	120 851,358	206,28

## 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
		FRANCE +/-	GERMANY +/-	ITALY +/-	FINLAND +/-	AUSTRIA +/-
<b>Assets</b>						
Equities and similar securities	644 312,92	213 355,06	192 378,89	108 408,34	41 629,16	33 548,21
Temporary securities transactions	-	-	-	-	-	-
<b>Liabilities</b>						
Sales of financial instruments	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-
<b>Off-balance sheet items</b>						
Futures	-	N/A	N/A	N/A	N/A	N/A
Options	-	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>644 312,92</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
<b>Total</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	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Financial accounts	250,15	-	-	-	250,15
<b>Liabilities</b>					
Sales of financial instruments	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Borrowings	-	-	-	-	-
Financial accounts	-	-	-	-	-
<b>Off-balance sheet items</b>					
Futures	N/A	-	-	-	-
Options	N/A	-	-	-	-
Swaps	N/A	-	-	-	-
Other financial instruments	N/A	-	-	-	-
<b>Total</b>		-	-	-	<b>250,15</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	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-	-
Financial accounts	250,15	-	-	-	-	-	-
<b>Liabilities</b>							
Sales of financial instruments	-	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-
<b>Off-balance sheet items</b>							
Futures	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-
Swaps	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-
<b>Total</b>	<b>250,15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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
	+/-	+/-	+/-	+/-	+/-
<b>Assets</b>					
Deposits	-	-	-	-	-
Equities and similar securities	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Receivables	-	-	-	-	-
Financial accounts	-	-	-	-	-
<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	-	-	-	-	-
Other transactions	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

### C1f. Direct exposure to credit markets(\*)

Amounts in thousands of EUR	Invest. Grade	Non Invest. Grade	Unrated
	+/-	+/-	+/-
<b>Assets</b>			
Bonds convertible into shares	-	-	-
Bonds and similar securities	-	-	-
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>	-	-	-

(\*) 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 financial 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	776 727,76
	Subscription receivables	581 330,32
<b>Total receivables</b>		<b>1 358 058,08</b>
<b>Liabilities</b>		
	Deferred settlement purchase	974 168,05
	Redemptions payable	839 958,63
	Fixed management fees	1 047 500,14
	Variable management fees	33 012,69
<b>Total liabilities</b>		<b>2 894 639,51</b>
<b>Total receivables and liabilities</b>		<b>-1 536 581,43</b>

## D2. Management fees, other costs and expenses

	30/09/2024
<b>LAZARD SMALL CAPS EURO SRI I shares</b>	
Guarantee fees	-
Fixed management fees	9 553 133,95
Percentage of fixed management fees	1,85
Provisioned variable management fees	-
Percentage of variable management fees provisioned	-
Variable management fees earned	-
Percentage of variable management fees earned	-
Retrocessions of management fees	-
<b>LAZARD SMALL CAPS EURO SRI R shares</b>	
Guarantee fees	-
Fixed management fees	1 194 816,95
Percentage of fixed management fees	2,20
Provisioned variable management fees	-
Percentage of variable management fees provisioned	-
Variable management fees earned	-
Percentage of variable management fees earned	-
Retrocessions of management fees	-
<b>LAZARD SMALL CAPS EURO SRI T shares</b>	
Guarantee fees	-
Fixed management fees	464 268,53
Percentage of fixed management fees	1,45
Provisioned variable management fees	-
Percentage of variable management fees provisioned	-
Variable management fees earned	33 012,69
Percentage of variable management fees earned	0,10
Retrocessions of management fees	-

“The amount of variable management fees shown above corresponds to the sum of the provisions and reversals of provisions that impacted the net assets during the period under review.”

### 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>	<b>-</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			3 695 510,01
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET	3 695 324,79
	FR0011637164	LAZARD INVESTISSEMENT PEA-PME	185,22
Forward financial instruments			-
<b>Total group securities</b>			<b>3 695 510,01</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>15 977 675,83</b>
Interim dividends paid on net income for the year	-
<b>Income for the year available for appropriation</b>	<b>15 977 675,83</b>
Retained earnings	-
<b>Distributable income pertaining to net income</b>	<b>15 977 675,83</b>

### LAZARD SMALL CAPS EURO SRI I shares

Appropriation of distributable income pertaining to net income	30/09/2024
<b>Net income</b>	<b>14 068 953,43</b>
Interim dividends paid on net income for the year (*)	-
<b>Income for the year available for appropriation (**)</b>	<b>14 068 953,43</b>
Retained earnings	-
<b>Distributable income pertaining to net income</b>	<b>14 068 953,43</b>
<b>Appropriation:</b>	
Distribution	-
Income for the year carried forward	-
Accumulation	14 068 953,43
<b>Total</b>	<b>14 068 953,43</b>
<b>* Information on interim dividends paid</b>	
Amount per unit	-
Total tax credits	-
Tax credit per unit	-
<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 SMALL CAPS EURO SRI R shares

Appropriation of distributable income pertaining to net income	30/09/2024
<b>Net income</b>	<b>1 222 746,50</b>
Interim dividends paid on net income for the year (*)	-
<b>Income for the year available for appropriation (**)</b>	<b>1 222 746,50</b>
Retained earnings	-
<b>Distributable income pertaining to net income</b>	<b>1 222 746,50</b>
<b>Appropriation:</b>	
Distribution	-
Income for the year carried forward	-
Accumulation	1 222 746,50
<b>Total</b>	<b>1 222 746,50</b>
<b>* Information on interim dividends paid</b>	
Amount per unit	-
Total tax credits	-
Tax credit per unit	-
<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 SMALL CAPS EURO SRI T shares

Appropriation of distributable income pertaining to net income	30/09/2024
<b>Net income</b>	<b>685 975,90</b>
Interim dividends paid on net income for the year (*)	-
<b>Income for the year available for appropriation (**)</b>	<b>685 975,90</b>
Retained earnings	-
<b>Distributable income pertaining to net income</b>	<b>685 975,90</b>
<b>Appropriation:</b>	
Distribution	-
Income for the year carried forward	-
Accumulation	685 975,90
<b>Total</b>	<b>685 975,90</b>
<b>* Information on interim dividends paid</b>	
Amount per unit	-
Total tax credits	-
Tax credit per unit	-
<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

Appropriation of distributable income pertaining to net realised capital gains and losses	30/09/2024
<b>Net realised capital gains/losses for the year</b>	<b>-225 191,80</b>
Interim dividends paid on net realised capital gains/losses for the year	-
<b>Net realised capital gains/losses available for appropriation</b>	<b>-225 191,80</b>
Undistributed net realised capital gains and losses from previous years	-
<b>Distributable income pertaining to realised capital gains or losses</b>	<b>-225 191,80</b>

## LAZARD SMALL CAPS EURO SRI I 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>-197 790,47</b>
Interim dividends paid on net realised capital gains/losses for the year (*)	-
<b>Net realised capital gains/losses available for appropriation</b>	<b>-197 790,47</b>
Undistributed net realised capital gains and losses from previous years	-
<b>Distributable income pertaining to realised capital gains/losses</b>	<b>-197 790,47</b>
<b>Appropriation:</b>	
Distribution	-
Net realised capital gains/losses carried forward	-
Accumulation	-197 790,47
<b>Total</b>	<b>-197 790,47</b>
<b>* Information on interim dividends paid</b>	
Interim dividends paid per unit	-
<b>** Information on shares with dividend rights</b>	
Number of shares	-
Unit distribution remaining to be paid after payment of interim dividends	-

## LAZARD SMALL CAPS EURO SRI R 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>-15 770,45</b>
Interim dividends paid on net realised capital gains/losses for the year (*)	-
<b>Net realised capital gains/losses available for appropriation</b>	<b>-15 770,45</b>
Undistributed net realised capital gains and losses from previous years	-
<b>Distributable income pertaining to realised capital gains/losses</b>	<b>-15 770,45</b>
<b>Appropriation:</b>	
Distribution	-
Net realised capital gains/losses carried forward	-
Accumulation	-15 770,45
<b>Total</b>	<b>-15 770,45</b>
<b>* Information on interim dividends paid</b>	
Interim dividends paid per unit	-
<b>** Information on shares with dividend rights</b>	
Number of shares	-
Unit distribution remaining to be paid after payment of interim dividends	-

## LAZARD SMALL CAPS EURO SRI T 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>-11 630,88</b>
Interim dividends paid on net realised capital gains/losses for the year (*)	-
<b>Net realised capital gains/losses available for appropriation</b>	<b>-11 630,88</b>
Undistributed net realised capital gains and losses from previous years	-
<b>Distributable income pertaining to realised capital gains/losses</b>	<b>-11 630,88</b>
<b>Appropriation:</b>	
Distribution	-
Net realised capital gains/losses carried forward	-
Accumulation	-11 630,88
<b>Total</b>	<b>-11 630,88</b>
<b>* Information on interim dividends paid</b>	
Interim dividends paid per unit	-
<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>EQUITIES AND SIMILAR SECURITIES</b>			<b>644 312 920,43</b>	<b>99,63</b>
<b>Equities and similar securities traded on a regulated or similar market</b>			<b>644 312 920,43</b>	<b>99,63</b>
<b>Consumer durables</b>			<b>50 880 501,60</b>	<b>7,87</b>
DE LONGHI SPA	EUR	717 200	19 809 064,00	3,07
EINHELL GERMANY AG-VORZUG	EUR	162 114	9 467 457,60	1,46
FISKARS OYJ A	EUR	770 000	11 981 200,00	1,85
SABAF SPA	EUR	545 200	9 622 780,00	1,49
<b>Specialised distribution</b>			<b>2 616,66</b>	<b>0,00</b>
ELEKTRONIKI ATHINON S.A.	EUR	261 666	2 616,66	0,00
<b>Office electronics</b>			<b>22 771 935,20</b>	<b>3,52</b>
AXWAY SOFTWARE SA	EUR	956 804	22 771 935,20	3,52
<b>Packaging and wrapping</b>			<b>18 989 212,10</b>	<b>2,94</b>
MAYR-MELNHOF KARTON	EUR	122 000	10 833 600,00	1,68
OENEO EX SABATE DIOSOS	EUR	791 807	8 155 612,10	1,26
<b>Electrical equipment</b>			<b>8 867 662,00</b>	<b>1,37</b>
ZUMTOBEL GROUP AG	EUR	1 636 100	8 867 662,00	1,37
<b>Hotels, restaurants and leisure</b>			<b>17 150 000,00</b>	<b>2,65</b>
SPIE SA	EUR	500 000	17 150 000,00	2,65
<b>Machinery</b>			<b>221 662 811,32</b>	<b>34,27</b>
BIESSE	EUR	957 400	8 305 445,00	1,28
CARGOTEC OYJ-B SHARE	EUR	323 442	16 974 236,16	2,62
COMER INDUSTRIES SPA	EUR	181 406	6 040 819,80	0,93
EXEL INDUSTRIES	EUR	216 357	10 752 942,90	1,66
INTERPUMP GROUP	EUR	400 000	16 752 000,00	2,59
JENSENGROUP NV	EUR	276 273	11 382 447,60	1,76
KALMAR OYJ-B SHARE	EUR	435 000	12 673 725,00	1,96
KSB AG PREF	EUR	41 571	24 942 600,00	3,88
MANITOU BF	EUR	761 103	14 171 737,86	2,19
NORMA GROUP SE	EUR	1 016 000	15 199 360,00	2,35
PIOVAN SPA	EUR	1 770 000	24 337 500,00	3,76
ROSENBAUER INTERNATIONAL AG	EUR	394 500	13 846 950,00	2,14
SURTECO GROUP SE	EUR	510 000	7 701 000,00	1,19
TECHNOTRANS NOM.	EUR	403 000	7 495 800,00	1,16
VOSSLOH AG	EUR	346 443	16 975 707,00	2,62
WASH TEC AG	EUR	371 330	14 110 540,00	2,18
<b>Building materials</b>			<b>17 446 000,00</b>	<b>2,70</b>
STO AG VORZ.	EUR	143 000	17 446 000,00	2,70
<b>Media</b>			<b>27 378 250,00</b>	<b>4,23</b>
IPSOS	EUR	485 000	27 378 250,00	4,23



## E1. Inventory of balance sheet items

Description of securities by business sector (*)	Currency	Quantity or Nominal	Present value	% Net assets
<b>Paper and wood industry</b>			<b>28 904 350,00</b>	<b>4,47</b>
ALTRI SGPS SA	EUR	2 410 000	12 098 200,00	1,87
CORTICEIRA AMORIM	EUR	1 899 000	16 806 150,00	2,60
<b>Food products</b>			<b>23 540 730,00</b>	<b>3,64</b>
FILA SPA	EUR	2 507 000	23 540 730,00	3,64
<b>Chemical products</b>			<b>23 647 200,00</b>	<b>3,66</b>
ALZCHEM GROUP AG	EUR	501 000	23 647 200,00	3,66
<b>Pharmaceuticals</b>			<b>18 881 900,00</b>	<b>2,92</b>
VIRBAC SA	EUR	49 300	18 881 900,00	2,92
<b>Semiconductors and semiconductor equipment</b>			<b>10 496 928,00</b>	<b>1,62</b>
PVA TEPLA	EUR	776 400	10 496 928,00	1,62
<b>Business services</b>			<b>38 883 793,00</b>	<b>6,01</b>
CEWE COLOR HOLDING	EUR	222 250	23 558 500,00	3,64
TAKKT AG	EUR	1 578 300	15 325 293,00	2,37
<b>Business services</b>			<b>32 325 471,55</b>	<b>5,00</b>
AMADEUS AG FUER ZEITARBEIT UND	EUR	65 000	6 012 500,00	0,93
ASSYTEM BRIME	EUR	329 491	16 161 533,55	2,50
GROUPE CRIT	EUR	151 514	10 151 438,00	1,57
<b>Information technology services</b>			<b>50 156 180,00</b>	<b>7,76</b>
ALTEN SA	EUR	233 800	23 403 380,00	3,62
SOPRA STERIA	EUR	142 000	26 752 800,00	4,14
<b>Commercial and distribution companies</b>			<b>17 623 529,00</b>	<b>2,73</b>
THERMADOR GROUPE	EUR	228 877	17 623 529,00	2,73
<b>Textiles, clothing and luxury items</b>			<b>14 703 850,00</b>	<b>2,27</b>
VAN DE VELDE	EUR	488 500	14 703 850,00	2,27
<b>UCI SECURITIES</b>			<b>3 695 510,01</b>	<b>0,57</b>
<b>UCITS</b>			<b>3 695 510,01</b>	<b>0,57</b>
<b>Collective management</b>			<b>3 695 510,01</b>	<b>0,57</b>
LAZARD EURO SHORT TERM MONEY MARKET	EUR	1 759	3 695 324,79	0,57
LAZARD INVESTISSEMENT PEA-PME	EUR	1	185,22	0,00
<b>Total</b>			<b>648 008 430,44</b>	<b>100,20</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>				
<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.

#### 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>				
<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.

### 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>				
<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.

### 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	+/-
<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.

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

This section does not apply to the UCI under review.

### E5. Inventory summary

	Current value presented in the balance sheet
Total inventory of eligible assets and liabilities (excluding forward financial instruments)	648 008 430,44
Inventory of forward financial instruments (excluding forward financial instruments used to hedge shares issued):	
Total forward currency transactions	-
Total forward financial instruments - equities	-
Total forward financial instruments - interest rates	-
Total forward financial instruments - foreign currency	-
Total forward financial instruments - credit	-
Total forward financial instruments - other exposures	-
Inventory of forward financial instruments used to hedge shares issued	-
Other assets (+)	1 608 206,95
Other liabilities (-)	-2 894 639,51
Financing liabilities (-)	-
<b>Total = net assets</b>	<b>646 721 997,88</b>

Share name	Share currency	Number of shares	NAV
LAZARD SMALL CAPS EURO SRI I shares	EUR	607 313,238	929,82
LAZARD SMALL CAPS EURO SRI R shares	EUR	32 893,095	1 735,88
LAZARD SMALL CAPS EURO SRI T shares	EUR	120 851,358	206,28

## TEXT OF RESOLUTIONS

### LAZARD SMALL CAPS EURO SRI

French open-end investment company (Société d'Investissement à Capital Variable)  
Registered office: 10, avenue Percier, 75008 Paris  
Paris Trade and Companies Register No. 449 972 835

### PROPOSED APPROPRIATION OF DISTRIBUTABLE INCOME

Financial year ended September 30th, 2024

#### Second resolution

The Shareholders' Meeting approves the distributable income for the financial year, which amounts to:  
**€15 977 675,83** distributable income pertaining to net income,  
**€-225 191,80** distributable income pertaining to net capital gains and losses

and decides that they shall be allocated as follows:

**1) Distributable income pertaining to net income:**

- I shares: Accumulation: **€14 068 953,43**
- R shares: Accumulation: **€1 222 746,50**
- T shares: Accumulation: **€685 975,90**

**2) Distributable income pertaining to net capital gains and losses**

- I shares: Accumulation: **€-197 790,47**
- R shares: Accumulation: **€-15 770,45**
- T shares: Accumulation: **€-11 630,88**

For information: No dividend has been paid in respect of the last four financial years.

# LAZARD SMALL CAPS EURO SRI

**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>481 860 245,48</b>	<b>421 047 164,17</b>
<b>Equities and similar securities</b>	<b>481 625 641,83</b>	<b>420 356 011,29</b>
Traded on a regulated or equivalent market	481 625 641,83	420 356 011,29
Not traded on a regulated or equivalent market	0,00	0,00
<b>Bonds 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>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>234 603,65</b>	<b>691 152,88</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	234 603,65	691 152,88
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>0,00</b>	<b>0,00</b>
Transactions on a regulated or equivalent market	0,00	0,00
Other transactions	0,00	0,00
<b>Other financial instruments</b>	<b>0,00</b>	<b>0,00</b>
<b>RECEIVABLES</b>	<b>35 507,55</b>	<b>18 617,38</b>
Currency forward exchange transactions	0,00	0,00
Other	35 507,55	18 617,38
<b>FINANCIAL ACCOUNTS</b>	<b>250 208,89</b>	<b>194 103,82</b>
Cash and cash equivalents	250 208,89	194 103,82
<b>TOTAL ASSETS</b>	<b>482 145 961,92</b>	<b>421 259 885,37</b>



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

	29/09/2023	30/09/2022
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	433 475 779,89	374 108 164,93
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)	40 246 147,74	42 466 597,34
Net income for the year (a, b)	6 283 165,64	3 715 524,73
<b>TOTAL SHAREHOLDERS' EQUITY*</b>	<b>480 005 093,27</b>	<b>420 290 287,00</b>
<i>* Sum representing the net assets</i>		
<b>FINANCIAL INSTRUMENTS</b>	<b>0,00</b>	<b>0,00</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	0,00	0,00
Transactions on a regulated or equivalent market	0,00	0,00
Other transactions	0,00	0,00
<b>LIABILITIES</b>	<b>2 140 868,65</b>	<b>969 598,37</b>
Currency forward exchange transactions	0,00	0,00
Other	2 140 868,65	969 598,37
<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>482 145 961,92</b>	<b>421 259 885,37</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>	0,00	0,00
Commitments on regulated or similar markets	0,00	0,00
Commitments on OTC markets	0,00	0,00
Other commitments	0,00	0,00
<b>OTHER TRANSACTIONS</b>	0,00	0,00
Commitments on regulated or similar markets	0,00	0,00
Commitments on OTC markets	0,00	0,00
Other commitments	0,00	0,00

## 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	0,00	0,00
Income from equities and similar securities	15 672 129,27	14 529 054,65
Income from bonds and similar securities	0,00	0,00
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>15 672 129,27</b>	<b>14 529 054,65</b>
<b>Expenses on financial transactions</b>		
Expenses related to temporary purchases and sales of securities	0,00	0,00
Expenses on forward financial instruments	0,00	0,00
Expenses related to financial liabilities	0,00	2 161,35
Other financial expenses	0,00	0,00
<b>TOTAL (2)</b>	<b>0,00</b>	<b>2 161,35</b>
<b>INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)</b>	<b>15 672 129,27</b>	<b>14 526 893,30</b>
Other income (3)	0,00	0,00
Management fees and depreciation and amortisation (4)	9 310 377,91	11 027 916,75
<b>NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>6 361 751,36</b>	<b>3 498 976,55</b>
Income adjustment for the financial year (5)	-78 585,72	216 548,18
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>6 283 165,64</b>	<b>3 715 524,73</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, sincerity,
- prudence,
- consistency of accounting methods from one financial year to the next.

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

### Asset valuation rules

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

- **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 price under the responsibility of the management company. 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, overnight indexed swaps (OIS) and French treasury bills (BTF) - 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**

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

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

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

The commitment value for futures contracts is equal to the price (in the SICAV'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 SICAV'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 SICAV's currency).

## **Management fees**

Management fees are calculated on each valuation day.

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

Net assets  
 x operating and management fees rate  
x no. of days between the calculated NAV and the previous NAV  
 365 (or 366 in a leap year)

The SICAV pays the operating fees, which include:

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

These fees do not include transaction charges.

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

<b>Expenses charged to the SICAV</b>	<b>Basis</b>	<b>Rate</b>		
Financial management fees	Net assets	I shares: 1,83% incl. taxes Maximum rate R shares: 2,18% incl. taxes Maximum rate T shares: 1,43% incl. taxes Maximum rate		
Administrative fees external to the management company	Net assets	I, R and T shares: 0,02% incl. taxes Maximum rate		
Turnover commission (incl. taxes) (0% to 100% received by the management company and 0% to 100% received by the custodian):	Maximum charge on each transaction	French equities	Up to €100 000	0.48%
			From €100 001 to 200 000	0.31%
			From 200 001 to 300 000 €	0.24%
			More than 300 000 €	0.17%
		Eurozone equities excluding France	Up to €100 000	0.72%
			From 100 001 € to 200 000 €	0.47%
			From 200 001 to 300 000 €	0.36%
		More than 300 000 €	0.25%	
Fixed-income instruments	None			
Futures and other transactions	From €0 to €450 incl. tax per contract			
Performance fees T shares	Net assets	20% of the Fund's outperformance relative to the benchmark index*		

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

- If the amount is significant, a provision is recognised in account 617.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

### Calculation method

The calculation of the amount of the performance fee is based on a comparison between the performance of each UCI share and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual UCI. The outperformance generated by the UCI share on a given date is defined as the positive difference between the assets of the UCI share and the assets of the notional UCI on the same date. If this difference is negative, this amount constitutes an underperformance.

### Negative performance recovery and reference period

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

### Observation period

The first observation period will start with a period of twelve months starting on 01/10/2021. At the end of each financial year, one of the following two cases may occur:

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

### Provisioning

Each time the net asset value (NAV) is established, the performance fee is subject to a provision (of 20% of the outperformance) when the performance of the UCI share is higher than that of the notional UCI over the observation period, or to a reversal of the provision limited to the existing allocation in case of underperformance.

In case of redemptions during the period, the proportion of the provision corresponding to the number of shares redeemed is definitively acquired and charged by the management company.

### Crystallisation

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

The first crystallisation period will end on the last day of the financial year ending on 30/09/2022.

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

### 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.

#### **Appropriation of distributable income:**

<b>Share(s)</b>	<b>Appropriation of net income</b>	<b>Appropriation of net realised capital gains or losses</b>
LAZARD SMALL CAPS EURO SRI I shares	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD SMALL CAPS EURO SRI R shares	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD SMALL CAPS EURO SRI T shares	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV

## 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>420 290 287,00</b>	<b>745 072 127,09</b>
Subscriptions (including subscription fees retained by the Fund)	80 619 567,38	82 135 968,46
Redemptions (net of redemption fees retained by the Fund)	-98 567 289,12	-251 055 070,74
Realised capital gains on deposits and financial instruments	43 165 927,84	55 012 692,38
Realised capital losses on deposits and financial instruments	-1 486 501,09	-4 698 520,64
Realised capital gains on forward financial instruments	0,00	0,00
Realised capital losses on forward financial instruments	0,00	0,00
Transaction charges	-645 553,88	-840 588,62
Exchange rate differences	0,00	0,00
Changes in valuation difference of deposits and financial instruments	30 266 903,78	-208 835 297,48
<i>Valuation difference for financial year N</i>	<i>-21 287 905,58</i>	<i>-51 554 809,36</i>
<i>Valuation difference for financial year N-1</i>	<i>51 554 809,36</i>	<i>-157 280 488,12</i>
Changes in valuation difference of forward financial instruments	0,00	0,00
<i>Valuation difference for financial year N</i>	<i>0,00</i>	<i>0,00</i>
<i>Valuation difference for financial year N-1</i>	<i>0,00</i>	<i>0,00</i>
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	6 361 751,36	3 498 976,55
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>480 005 093,27</b>	<b>420 290 287,00</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>		
TOTAL BONDS AND SIMILAR SECURITIES	0,00	0,00
<b>DEBT SECURITIES</b>		
TOTAL DEBT SECURITIES	0,00	0,00
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>SALES OF FINANCIAL INSTRUMENTS</b>		
TOTAL SALES OF FINANCIAL INSTRUMENTS	0,00	0,00
<b>OFF-BALANCE SHEET</b>		
<b>HEDGING TRANSACTIONS</b>		
TOTAL HEDGING TRANSACTIONS	0,00	0,00
<b>OTHER TRANSACTIONS</b>		
TOTAL OTHER TRANSACTIONS	0,00	0,00

### 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	0,00	0,00	0,00	0,00	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
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	250 208,89	0,05
<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	0,00	0,00	0,00	0,00	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	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	250 208,89	0,05	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		Currency 2		Currency 3		Currency N Other(S)	
	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	0,00	0,00	0,00	0,00	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	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>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	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

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

	Debit/credit item	29/09/2023
<b>RECEIVABLES</b>		
	Subscription receivables	35 507,55
<b>TOTAL RECEIVABLES</b>		<b>35 507,55</b>
<b>LIABILITIES</b>		
	Deferred settlement purchase	1 258 020,67
	Redemptions payable	64 086,33
	Fixed management fees	770 137,91
	Variable management fees	48 623,74
<b>TOTAL LIABILITIES</b>		<b>2 140 868,65</b>
<b>TOTAL LIABILITIES AND RECEIVABLES</b>		<b>-2 105 361,10</b>

### 3.6. SHAREHOLDERS' EQUITY

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

	In equity	In amounts
<b>LAZARD SMALL CAPS EURO SRI I shares</b>		
Shares subscribed during the financial year	65 178,489	54 427 684,34
Shares redeemed during the financial year	-87 623,036	-74 352 406,56
Net balance of subscriptions/redemptions	-22 444,547	-19 924 722,22
Number of shares outstanding at the end of the financial year	482 181,117	
<b>LAZARD SMALL CAPS EURO SRI R shares</b>		
Shares subscribed during the financial year	7 297,392	12 083 676,71
Shares redeemed during the financial year	-10 663,300	-16 163 432,01
Net balance of subscriptions/redemptions	-3 365,908	-4 079 755,30
Number of shares outstanding at the end of the financial year	29 283,756	
<b>LAZARD SMALL CAPS EURO SRI T shares</b>		
Shares subscribed during the financial year	72 904,918	14 108 206,33
Shares redeemed during the financial year	-40 650,813	-8 051 450,55
Net balance of subscriptions/redemptions	32 254,105	6 056 755,78
Number of shares outstanding at the end of the financial year	141 168,600	

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

	In amounts
<b>LAZARD SMALL CAPS EURO SRI I shares</b>	
Total subscription and/or redemption fees earned	0,00
Subscription fees acquired	0,00
Redemption fees acquired	0,00
<b>LAZARD SMALL CAPS EURO SRI R shares</b>	
Total subscription and/or redemption fees earned	0,00
Subscription fees acquired	0,00
Redemption fees acquired	0,00
<b>LAZARD SMALL CAPS EURO SRI T 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 SMALL CAPS EURO SRI I shares</b>	
Guarantee fees	0,00
Fixed management fees	7 852 537,04
Percentage of fixed management fees	1,85
Provisioned variable management fees	0,00
Percentage of variable management fees provisioned	0,00
Variable management fees earned	0,00
Percentage of variable management fees earned	0,00
Retrocessions of management fees	0,00
<b>LAZARD SMALL CAPS EURO SRI R shares</b>	
Guarantee fees	0,00
Fixed management fees	1 010 887,97
Percentage of fixed management fees	2,20
Provisioned variable management fees	0,00
Percentage of variable management fees provisioned	0,00
Variable management fees earned	0,00
Percentage of variable management fees earned	0,00
Retrocessions of management fees	0,00
<b>LAZARD SMALL CAPS EURO SRI T shares</b>	
Guarantee fees	0,00
Fixed management fees	398 329,16
Percentage of fixed management fees	1,45
Provisioned variable management fees	15 089,17
Percentage of variable management fees provisioned	0,05
Variable management fees earned	33 534,57
Percentage of variable management fees earned	0,12
Retrocessions of management fees	0,00

"The amount of variable management fees shown above corresponds to the sum of the provisions and reversals of provisions that impacted the net assets during the period under review."

### 3.8. COMMITMENTS RECEIVED AND GIVEN

#### 3.8.1. Guarantees received by the 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			234 603,65
	FR0011291657	LAZARD EU SHRT TRM MONEY M-C	234 432,52
	FR0011637164	LAZARD INVESTISSEMENT PEA-PME "R	171,13
Forward financial instruments			0,00
<b>Total group securities</b>			<b>234 603,65</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	6 283 165,64	3 715 524,73
Interim dividends paid on net income for the financial year	0,00	0,00
<b>Total</b>	<b>6 283 165,64</b>	<b>3 715 524,73</b>

	29/09/2023	30/09/2022
<b>LAZARD SMALL CAPS EURO SRI I shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Balance brought forward for the financial year	0,00	0,00
Accumulation	5 455 037,27	3 290 382,60
<b>Total</b>	<b>5 455 037,27</b>	<b>3 290 382,60</b>

	29/09/2023	30/09/2022
<b>LAZARD SMALL CAPS EURO SRI R shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Balance brought forward for the financial year	0,00	0,00
Accumulation	455 065,94	209 386,14
<b>Total</b>	<b>455 065,94</b>	<b>209 386,14</b>

	29/09/2023	30/09/2022
<b>LAZARD SMALL CAPS EURO SRI T shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Balance brought forward for the financial year	0,00	0,00
Accumulation	373 062,43	215 755,99
<b>Total</b>	<b>373 062,43</b>	<b>215 755,99</b>

## Table of appropriation of distributable amounts 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	40 246 147,74	42 466 597,34
Interim dividends paid on net capital gains/losses for the financial year	0,00	0,00
<b>Total</b>	<b>40 246 147,74</b>	<b>42 466 597,34</b>

	29/09/2023	30/09/2022
<b>LAZARD SMALL CAPS EURO SRI I shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Accumulation	34 147 668,15	36 308 963,39
<b>Total</b>	<b>34 147 668,15</b>	<b>36 308 963,39</b>

	29/09/2023	30/09/2022
<b>LAZARD SMALL CAPS EURO SRI R shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Accumulation	3 893 601,68	4 426 331,11
<b>Total</b>	<b>3 893 601,68</b>	<b>4 426 331,11</b>

	29/09/2023	30/09/2022
<b>LAZARD SMALL CAPS EURO SRI T shares</b>		
<b>Appropriation</b>		
Distribution	0,00	0,00
Undistributed net capital gains and losses	0,00	0,00
Accumulation	2 204 877,91	1 731 302,84
<b>Total</b>	<b>2 204 877,91</b>	<b>1 731 302,84</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 euros</b>	<b>487 956 329,97</b>	<b>490 923 203,18</b>	<b>745 072 127,09</b>	<b>420 290 287,00</b>	<b>480 005 093,27</b>
<b>LAZARD SMALL CAPS EURO SRI I shares in EUR</b>					
Net assets	438 473 842,49	440 774 331,84	615 598 859,98	359 411 839,37	407 278 817,71
Number of units	642 922,595	650 720,018	641 115,458	504 625,664	482 181,117
Net asset value per unit	682,00	677,36	960,19	712,23	844,65
Accumulation per unit pertaining to net capital gains/losses	-2,14	0,17	15,99	71,95	70,81
Accumulation per unit pertaining to income	3,91	-3,89	3,21	6,52	11,31
<b>LAZARD SMALL CAPS EURO SRI R shares in EUR</b>					
Net assets	42 341 106,76	43 339 801,63	75 519 092,66	43 718 294,39	46 339 763,96
Number of units	32 677,977	33 795,817	41 688,240	32 649,664	29 283,756
Net asset value per unit	1 295,70	1 282,40	1 811,52	1 339,01	1 582,43
Accumulation per unit pertaining to net capital gains/losses	-4,00	0,32	30,21	135,57	132,96
Accumulation per unit pertaining to income	2,78	-11,82	0,27	6,41	15,53
<b>LAZARD SMALL CAPS EURO SRI T shares in EUR</b>					
Net assets	7 141 380,72	6 809 069,71	53 954 174,45	17 160 153,24	26 386 511,60
Number of units	47 700,914	45 609,512	254 667,227	108 914,495	141 168,600
Net asset value per unit	149,71	149,29	211,86	157,55	186,91
Accumulation per unit pertaining to net capital gains/losses	-0,47	0,03	3,51	15,89	15,61
Accumulation per unit pertaining to income	1,46	-0,27	0,90	1,98	2,64

null

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Equities and similar securities</b>				
<b>Bonds and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
ALZCHEM GROUP AG	EUR	500 000	9 875 000,00	2,06
AMADEUS AG FUER ZEITARBEIT UND	EUR	45 000	5 031 000,00	1,05
CEWE COLOR HOLDING	EUR	182 000	16 034 200,00	3,34
HANS EINHELL AG	EUR	47 188	6 700 696,00	1,40
KSB AG PREF	EUR	39 371	22 441 470,00	4,67
NORMA GROUP NAMEN	EUR	625 771	10 982 281,05	2,29
PVA TEPLA	EUR	445 000	6 844 100,00	1,43
STO AG VORZ.	EUR	112 492	14 601 461,60	3,04
SURTECO GROUP AG	EUR	510 000	8 619 000,00	1,80
TAKKT AG	EUR	1 473 163	18 915 412,92	3,94
TECHNOTRANS NOM.	EUR	383 000	6 376 950,00	1,33
VOSSLOH AG	EUR	235 000	9 282 500,00	1,93
WASH TEC AG	EUR	279 440	9 361 240,00	1,95
<b>TOTAL GERMANY</b>			<b>145 065 311,57</b>	<b>30,23</b>
<b>AUSTRIA</b>				
MAYR-MELNHOF KARTON	EUR	80 000	10 224 000,00	2,13
ROSENBAUER INTERNATIONAL	EUR	384 000	11 673 600,00	2,43
ZUMTOBEL AG	EUR	1 636 100	9 832 961,00	2,05
<b>TOTAL AUSTRIA</b>			<b>31 730 561,00</b>	<b>6,61</b>
<b>BELGIUM</b>				
JENSENGROUP NV	EUR	235 000	7 520 000,00	1,57
VAN DE VELDE	EUR	441 764	14 600 300,20	3,04
<b>TOTAL BELGIUM</b>			<b>22 120 300,20</b>	<b>4,61</b>
<b>FINLAND</b>				
CARGOTEC OYJ B	EUR	250 000	9 915 000,00	2,07
FISKARS OYJ A	EUR	187 906	3 277 080,64	0,68
<b>TOTAL FINLAND</b>			<b>13 192 080,64</b>	<b>2,75</b>
<b>FRANCE</b>				
ALTEN SA	EUR	125 400	15 624 840,00	3,26
AXWAY SOFTWARE	EUR	765 124	17 674 364,40	3,69
EXEL INDUSTRIES	EUR	129 596	6 000 294,80	1,25
GROUPE CRIT	EUR	156 811	10 945 407,80	2,28
IPSOS	EUR	455 000	19 810 700,00	4,13
MANITOU BF	EUR	666 997	15 140 831,90	3,15
NEXITY	EUR	675 000	9 429 750,00	1,96
OENEO EX SABATE DIOSOS	EUR	436 222	6 107 108,00	1,27
SOPRA STERIA	EUR	124 995	24 486 520,50	5,10
SPIE SA	EUR	485 000	13 347 200,00	2,78
THERMADOR GROUPE	EUR	111 322	8 772 173,60	1,83
VIRBAC SA	EUR	40 206	10 292 736,00	2,14
<b>TOTAL FRANCE</b>			<b>157 631 927,00</b>	<b>32,84</b>
<b>GREECE</b>				
ELEKTRONIKI ATHENS	EUR	261 666	2 616,66	0,00
<b>TOTAL GREECE</b>			<b>2 616,66</b>	<b>0,00</b>

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>ITALY</b>				
BIESSE	EUR	657 888	7 269 662,40	1,52
DE LONGHI SPA	EUR	525 000	10 825 500,00	2,25
FILA FABBRICA ITALI LAPIS ED AFFI SPA	EUR	2 090 000	15 654 100,00	3,26
INTERPUMP GROUP	EUR	199 000	8 654 510,00	1,80
PIOVAN SPA	EUR	1 100 000	9 878 000,00	2,06
SABAF SPA	EUR	497 000	7 604 100,00	1,58
<b>TOTAL ITALY</b>			<b>59 885 872,40</b>	<b>12,47</b>
<b>NETHERLANDS</b>				
LUCAS BOLLS NV	EUR	752 400	7 862 580,00	1,64
ORDINA NV	EUR	3 350 413	19 164 362,36	3,99
<b>TOTAL NETHERLANDS</b>			<b>27 026 942,36</b>	<b>5,63</b>
<b>PORTUGAL</b>				
ALTRI SGPS SA	EUR	1 810 000	7 757 660,00	1,62
CORTICEIRA AMORIM	EUR	1 769 000	17 212 370,00	3,58
<b>TOTAL PORTUGAL</b>			<b>24 970 030,00</b>	<b>5,20</b>
<b>TOTAL Equities and similar securities traded on a regulated or similar market</b>			<b>481 625 641,83</b>	<b>100,34</b>
<b>TOTAL Equities and similar securities</b>			<b>481 625 641,83</b>	<b>100,34</b>
<b>Undertakings for collective investment</b>				
<b>General UCITS and general AIFs intended for non-professionals and professionals and equivalents in other countries</b>				
<b>FRANCE</b>				
LAZARD EU SHRT TRM MONEY M-C	EUR	116	234 432,52	0,05
LAZARD INVESTISSEMENT PEA-PME "R	EUR	1	171,13	0,00
<b>TOTAL FRANCE</b>			<b>234 603,65</b>	<b>0,05</b>
<b>TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>			<b>234 603,65</b>	<b>0,05</b>
<b>TOTAL Undertakings for collective investment</b>			<b>234 603,65</b>	<b>0,05</b>
<b>Receivables</b>			<b>35 507,55</b>	<b>0,00</b>
<b>Liabilities</b>			<b>-2 140 868,65</b>	<b>-0,44</b>
<b>Financial accounts</b>			<b>250 208,89</b>	<b>0,05</b>
<b>Net assets</b>			<b>480 005 093,27</b>	<b>100,00</b>

LAZARD SMALL CAPS EURO SRI R shares	EUR	29 283,756	1 582,43
LAZARD SMALL CAPS EURO SRI T shares	EUR	141 168,600	186,91
LAZARD SMALL CAPS EURO SRI I shares	EUR	482 181,117	844,65

## 8. 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 Small Caps Euro SRI**

**Legal entity identifier: 969500F8CSPA2RZAN106**

## Environmental and/or social characteristics

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

●●  **Yes**

●  **No**

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

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

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

It made **sustainable investments with a social objective**:%

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

while it did not have as its objective a sustainable investment, it had a proportion of 59,91% of sustainable investments

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

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

with a social objective

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

**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.



### **Sustainability indicators**

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

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

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

### Environmental policy:

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

### Controlling environmental impacts:

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

### Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

as well as the following social characteristics:

### Respect for human rights:

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

### Human resources management:

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

### Value chain management:

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

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

## ● How did the sustainability indicators perform?

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

### In terms of valuation in the internal analysis model:

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

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

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

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

### In terms of controlling the elements of the investment strategy with an external data provider:

In addition, to confirm the robustness of the internal model, the analysts-managers in charge of management compare the portfolio's average ESG rating to that of its reference ESG universe.

### Evolution of the ESG score



The portfolio's reference ESG universe is:

The Eurozone equity universe provided by our ESG partners, with market capitalisations of between one hundred million and two billion euros.

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



● **What were the objectives of the sustainable investments that the financial product was designed to achieve, and how did the sustainable investments made contribute to them?**

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

The environmental indicators used are as follows:

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

The social indicators used are as follows:

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

Substantial contribution is measured by applying thresholds per indicator. Other criteria may be used for some small cap companies depending on the available data.

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

	<b>Rule</b>	<b>Average share of the portfolio</b>
<b>Carbon footprint in M</b>	Included in the lowest 20% of the sector	2,30%
<b>GHG intensity</b>	Included in the lowest 20% of the sector	13,08%
<b>Renewable energy consumption</b>	Included in the bottom 20% of the reference universe	10,61%
<b>Energy intensity</b>	Included in the bottom 20% of the reference universe	17,80%
<b>Proportion of used waste reused, recycled or recovered</b>	Included in the bottom 20% of the reference universe	10,75%
<b>Share of activities with quality certification (e.g. ISO 14001)</b>	See sustainable investment presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	--
<b>% of women in executive management</b>	≥25%	17,94%
<b>Number of hours of training for employees</b>	Included in the bottom 20% of the reference universe	11,02%
<b>Rate of absenteeism due to illness and workplace accidents</b>	Included in the bottom 20% of the reference universe	12,03%
<b>Pay gap by employee gender</b>	Included in the bottom 20% of the reference universe	15,19%
<b>Commitment to the promotion of social dialogue</b>	See sustainable investment presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	--
<b>Level of involvement in the UN Global Compact</b>	See sustainable investment presentation <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>	46,37%



**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.

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

The absence of significant harm is assessed on the basis of all the PAI indicators listed in Table 1 of Annex I the Regulatory Technical Standards of the SFDR Regulation. In the event of insufficient coverage of the investment universe for certain indicators, substitution criteria may exceptionally be used. Using alternative criteria is subject to the independent control of the Risks and Compliance department. Alternative indicators are also presented on the Lazard Frères Gestion website under the heading "Sustainable investment methodology": [www.lazardfreresgestion.fr/FR/ESG-ISR/Notre-approche\\_147.html#section05](http://www.lazardfreresgestion.fr/FR/ESG-ISR/Notre-approche_147.html#section05).

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

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

- Firstly, they are integrated into the internal analysis of each security monitored, carried out by our analyst-managers in the internal ESG analysis grids.
- In addition, they are used to assess the share of sustainable investments.

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

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

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

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

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

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



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

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

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

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



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

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

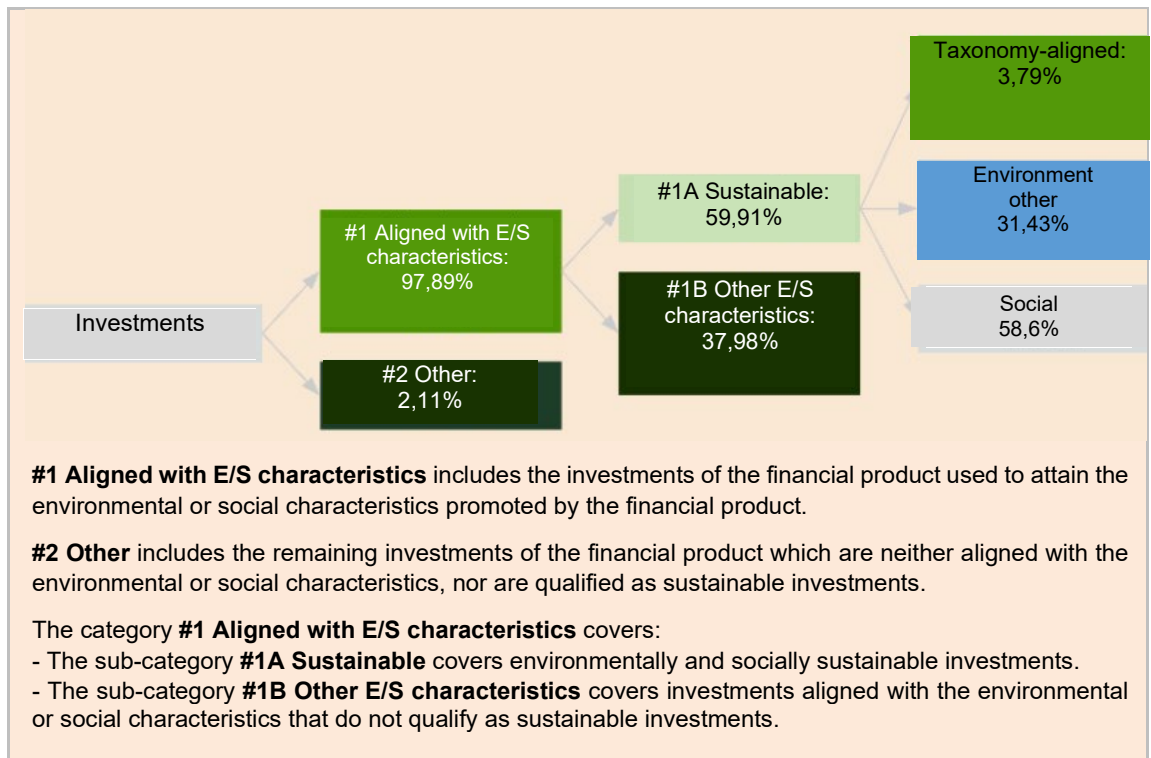
Largest investments		Sector	Percentage of assets	Country
1	IPSOS	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	4,58%	FRANCE
2	SOPRA STERIA	INFORMATION AND COMMUNICATION	4,12%	FRANCE
3	KSB AG PREF	MANUFACTURING	3,99%	INDIA
4	ALTEN SA	INFORMATION AND COMMUNICATION	3,68%	FRANCE
5	CEWE COLOR HOLDING	MANUFACTURING	3,41%	GERMANY
6	FILA SPA	MANUFACTURING	3,33%	ITALY
7	AXWAY SOFTWARE SA	INFORMATION AND COMMUNICATION	3,11%	FRANCE
8	TAKKT AG	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	3,08%	GERMANY
9	DE LONGHI SPA	MANUFACTURING	3,06%	ITALY
10	STO AG VORZ.	MANUFACTURING	3,05%	GERMANY
11	ALZCHEM GROUP AG	MANUFACTURING	3,03%	GERMANY
12	SPIE SA	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	2,83%	FRANCE
13	LAZARD FRERES OBJECTIF COURT TERME EURO C	UCI	2,83%	FRANCE
14	CORTICEIRA AMORIM	MANUFACTURING	2,81%	PORTUGAL
15	PIOVAN SPA	UNKNOWN SECTOR	2,76%	ITALY



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

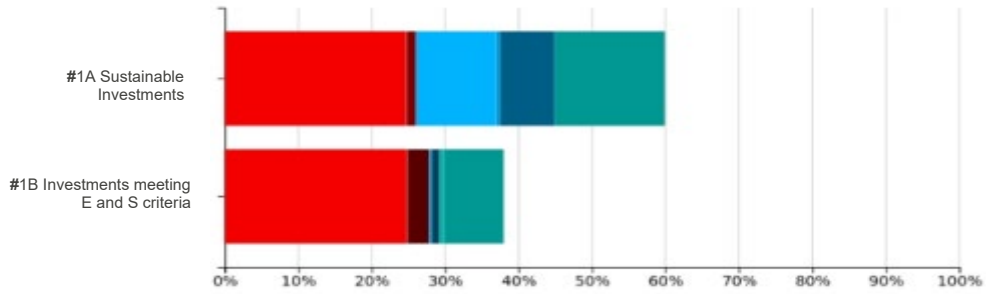
### ● What was the asset allocation?

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



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

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



	#1A Sustainable Investments	#1B Other investments meeting E and S criteria
■ MANUFACTURING	24.68%	24.81%
■ ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	0.06%	0.09%
■ WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.04%	
■ CONSTRUCTION	1.26%	
■ WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0.01%	2.92%
■ TRANSPORTATION AND STORAGE		0.05%
■ INFORMATION AND COMMUNICATION	10.94%	
■ FINANCIAL AND INSURANCE ACTIVITIES	0.53%	0.36%
■ REAL ESTATE ACTIVITIES		
■ PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	7.41%	
■ ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES		0.93%
■ PUBLIC ADMINISTRATION		0.12%
■ UCI		0.6%
■ UNKNOWN SECTOR	14.98%	8.09%

Exposure to the fossil fuel sector averaged 10,19% over the period.



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

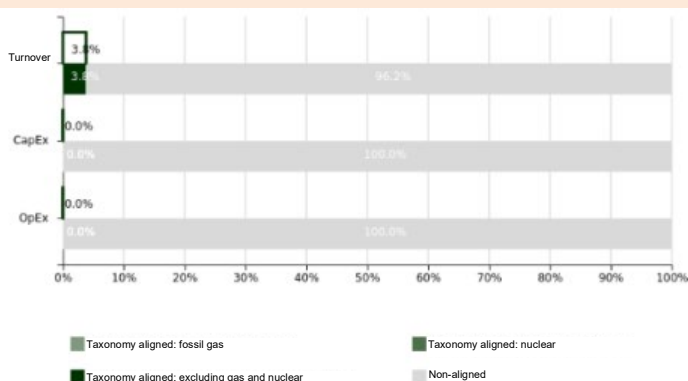
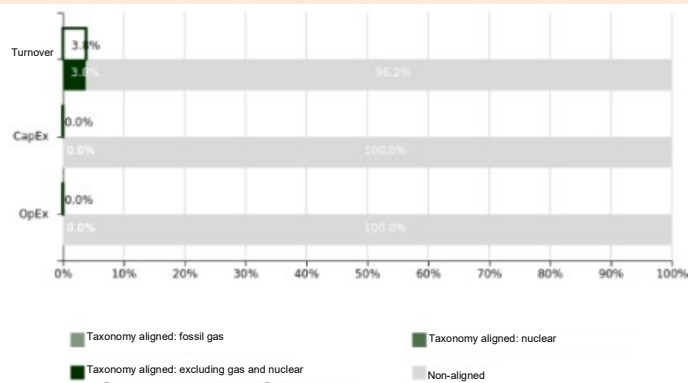
**Has the financial product invested in Taxonomy aligned activities linked to fossil fuels and/or nuclear energy?**

- Yes:
  - In fossil gas
  - In nuclear energy
- No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of the companies in which the financial product invests;
- **capital expenditure (CapEx)** showing the green investments made by the companies in which the financial product invests, e.g. for a transition to a green economy;
- **operational expenditure (OpEx)** reflecting green operational activities of the companies in which the financial product invests.

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



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

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

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

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

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

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

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

Not applicable

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



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

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy is 31,43%.

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



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

The share of socially sustainable investments is 58,60%.

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



● **What investments were included under “other”, and were they subject to minimum environmental or social safeguards?**

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 2,11%.



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

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

- The non-financial analysis rate

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

Over the past period, the non-financial analysis rate was 97,89% on average.

- The portfolio's average ESG rating

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

The portfolio's ESG reference universe is:

The Eurozone equity universe provided by our ESG partners, with market capitalisations of between €100 million and €2 billion.

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

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

For more information, please consult the "transparency code":

[www.lazardfreresgestion.fr/FR/ESG-ISR/Notre-approche8147.html#section05](http://www.lazardfreresgestion.fr/FR/ESG-ISR/Notre-approche8147.html#section05).



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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

## **Energy and Climate Law (LEC)**

### **ART 29: ENERGY AND CLIMATE LAW (LEC)**

Information concerning Article 29 LEC will be available on the Lazard Frères Gestion website, [https://www.lazardfreresgestion.fr/FR/Fonds\\_71.html](https://www.lazardfreresgestion.fr/FR/Fonds_71.html)