

French open-end investment fund (SICAV)

LAZARD ALPHA EURO SRI

ANNUAL REPORT

as of December 30th, 2022

Management company: Lazard Frères Gestion SAS
Custodian: Lazard Frères Banque
Statutory auditor: MAZARS

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I. CHARACTERISTICS OF THE UCI

LEGAL FORM

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

Fund of Fund

None.

CLASSIFICATION

Eurozone country equities.

CALCULATION AND ALLOCATION OF DISTRIBUTABLE INCOME

Distributable income consists of:

1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account. Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, 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.

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

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

INVESTMENT OBJECTIVE

R shares, I shares, IC shares and T shares:

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: Eurostoxx. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

BENCHMARK

R shares, I shares, IC shares and T shares:

Euro Stoxx

The Eurostoxx index, expressed in euros, consists of the largest listed companies in the Eurozone, weighted by market capitalisation.

The data are available on:

www.stoxx.com Bloomberg code: SXXT Index.

INVESTMENT STRATEGY

I. Strategies used

Investing in large Eurozone companies that achieve the best economic performance over the long-term, especially those that are undervalued in relation to that performance.

A company's economic performance is its capacity to invest the capital that it uses (equity and debt) at a rate of return above the cost of capital. The shareholders' equity thus invested, while subject to short-term rises and falls in the

equity markets, should be valued over the long term as a function of this economic performance.

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 of 30-50 stocks within the Eurozone, without geographical or sector 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. large caps from the Eurozone.

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 agency, 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.). It takes into account the companies' main negative impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production) and the risks likely to affect their own sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk through, among other factors, monitoring of controversies).

The information relating to the 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 score) based on at least ten relevant key indicators per dimension (energy intensity, staff turnover rate, board independence rate, etc.). The company's overall ESG rating summarises the scores for each pillar according to the following weighting: 30% for Environment and Social and 40% for Governance.

ESG ratings are directly built into the financial valuation model via the beta used to set the weighted average cost of capital (WACC).

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 SICAV 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 SICAV's average ESG rating is higher than the average ESG rating of the initial investment universe.

The initial investment universe is divided into 3 rating zones:

- 80% companies in the Eurozone
- 10% companies in non-euro Europe
- 10% small cap companies

This ESG rating is calculated after excluding 20% of the lowest-rated stocks in each zone (Eurozone, non-euro Europe and small caps).

For the sake of integrity and objectivity, the ratings used for SRI management are produced by an independent external partner.

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

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

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

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

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:

- A minimum of 90% in equities traded on European Union markets, including at least 80% traded on Eurozone markets;
- A maximum of 10% in equities traded on markets outside the European Union;
- A maximum of 10% in small-cap equities.

Debt securities and money-market instruments:

- A maximum of 10% in money-market instruments.

UCIs:

A maximum of 10% of net assets in French money-market UCITS and French or foreign AIFs that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (*Code monétaire et financier*).

Investment solely in UCIs that invest no more than 10% of their assets in other UCIs.

These UCIs may be managed by the management company.

3. Derivatives

None.

4. Securities with embedded derivatives

The manager may invest in all securities with embedded derivatives permitted under the management company’s business plan (notably subscription rights or warrants).

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

Total investments in securities with embedded derivatives may not exceed 5% of net assets.

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

Notice

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

▪ Risk of capital loss

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

▪ Risk associated with discretionary management

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

▪ Equity risk

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

▪ 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 rapidly and significantly.

▪ 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.

▪ Foreign exchange risk

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

▪ Interest rate risk

The risk of a decline in debt instruments as a result of changes in interest rates. This risk is measured by the level of sensitivity. For instance, bond prices tend to move in the opposite direction to interest rates. The net asset value may

decline during periods when there is an increase (positive sensitivity) or decrease (negative sensitivity) in interest rates.

▪ **Sustainability risk**

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

▪ **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

Any subscriber seeking exposure to equity risk.

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 Board of Directors of **LAZARD ALPHA EURO SRI** (ISIN code: FR0010828913) dated 15/02/2022, following a position recommendation of the AMF, noted the change in the wording relating to the performance fee in the prospectus.

➤ **Effective date: 18/03/2022.**

The following decisions were made in relation to the SICAV **LAZARD ALPHA EURO SRI** (ISIN code: FR0010828913):

- Insertion of information on Russian and Belarusian investors;
- Deletion of the optional mention of a cap on redemptions ("Gates").
- Subscription and redemption orders are accepted in units and/or shares and/or in amounts *(as the case may be)*.

➤ **Effective date: 16/06/2022.**

Upcoming changes:

The KIID of the **LAZARD ALPHA EURO SRI** SICAV (ISIN code: FR0010828913) was converted to the KID PRIIPS (*Key Information Document and Packaged Retail Investment and Insurance-based Products*) on January 1st, 2023, in accordance with the European regulations aimed at standardising pre-contractual information on financial products intended for retail investors.

The Board of Directors of **LAZARD ALPHA EURO SRI** (ISIN code: FR0010828913), which met on January 3rd, 2023, decided to create a new share class reserved for Banca Generali SpA (PVC G EUR shares, ISIN code: FR001400F011).

➤ **Effective date: 24/01/2023.**

Corporate governance (CSR) section

I. List of appointments

Directors' names	Number of offices held	List of offices and functions
Régis Bégué <i>Managing Director of Lazard Frères Gestion</i>	3	<ul style="list-style-type: none">▪ Chairman and Chief Executive Officer of the SICAVs:<ul style="list-style-type: none">○ Lazard Alpha Euro SRI○ Lazard Alpha Europe▪ Board member of the SICAV:<ul style="list-style-type: none">○ Lazard Equity SRI
Marie-Andrée Puig <i>Managing Director of Lazard Frères Gestion</i>	4	<ul style="list-style-type: none">▪ Board member and Chief Executive Officer of the SICAV:<ul style="list-style-type: none">○ Norden Small▪ Board member of the SICAVs:<ul style="list-style-type: none">○ Lazard Alpha Euro SRI○ Lazard Japon○ Norden SRI
Pascal Ferrand <i>Director of Lazard Frères Gestion</i>	3	<ul style="list-style-type: none">▪ Chairman of the Board of Directors of the SICAV:<ul style="list-style-type: none">○ Norden Small▪ Board member of the SICAVs:<ul style="list-style-type: none">○ Lazard Alpha Euro SRI○ Lazard Patrimoine USD
Julien-Pierre Nouen <i>Managing Director of Lazard Frères Gestion</i>	2	Board member of the SICAVs: <ul style="list-style-type: none">○ Lazard Alpha Euro SRI○ Norden Family

II. 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 December 31st, 2022.

III. 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 December 31st, 2022.

IV. Method of operation of the general management

The Board of Directors has not opted to separate the functions of Chairman and Chief Executive Officer.

DIRECTORS' FEES

The SICAV does not pay directors any fees for attendance at board meetings.

3. MANAGEMENT REPORT

PERFORMANCE

- ❖ The performance of the I shares (FR0010828913) over the period was -6,23%.
- ❖ The performance of the IC shares (FR0011744663) over the period was -6,65%.
- ❖ The performance of the T shares (FR0013305976) over the period was -6,59%.
- ❖ The performance of the R shares (FR0010830240) over the period was -7,31%.
- ❖ The performance of the benchmark over the period was: -12,31%.

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

ECONOMIC ENVIRONMENT

Economy

Global growth ran out of steam in 2022, against a backdrop of high inflation. The IMF's latest forecast calls for global growth of 3,2%, less than half the rate seen in 2021 during the post-pandemic rebound. The war in Ukraine and its impact on commodities have heightened pre-existing inflationary pressures. The energy shock was less severe than expected in Europe, however, and some of the factors that had fuelled the price increase began to reverse. Energy prices started to fall again and the easing of supply problems led to a slowdown in goods inflation. In contrast, service inflation remained high and labour markets generally tight, posing the risk that inflation could settle in at a level persistently above central banks' target. Will the massive rate hikes already carried out be enough to bring inflation down to 2%? How long can activity weather these higher interest rates?

In the United States, GDP grew by +1,9% between Q3 2021 and Q3 2022. 4,5 million jobs were created by 2022, reducing the unemployment rate from 3,9% to 3,5%. The hourly wage has increased by +5,0% over the last twelve months. Inflation accelerated in the first half of the year before slowing in the second half to +7,1% year-on-year in November 2022.

The Fed raised its key interest rate by +425 basis points to the 4,25%-4,50% range, with the following sequence: +25 basis points in March, +50 basis points in May, four consecutive hikes of +75 basis points between June and November and +50 basis points in December. In May 2022, the Fed announced it would begin to reduce its balance sheet from June 2022, at a maximum pace of -\$47,5 billion per month and then -\$95 billion from September 2022.

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

In the Eurozone, GDP grew by +2,3% between Q3 2021 and Q3 2022. In the four largest economies, GDP grew by +1,3% in Germany, +1,0% in France, +2,6% in Italy and +4,4% in Spain. The Eurozone unemployment rate fell from 7,0% to 6,5%. Inflation accelerated sharply to +9,2% year-on-year in December 2022. In the face of the energy shock, European governments stepped up their support measures.

The ECB hiked its interest rates by +250 basis points, with the following sequence: +50 basis points in July, two hikes of +75 basis points in September and October and +50 basis points in December. The deposit rate was raised from -0,50% to 2,00%, the refinancing rate from 0% to 2,50% and the marginal lending facility from 0,25% to 2,75%.

In March 2022, the ECB announced the end of its emergency programme (PEPP) and a reduction in the amount of purchases under its asset purchase programme (APP). In June 2022, the ECB announced the end of the APP program. In July 2022, the ECB approved the creation of a "Transmission Protection Instrument" that could be activated if credit spreads soar. In December 2022, the ECB announced that it would start reducing its balance sheet from the beginning of March 2023, at a rate of €15bn per month until the end of Q2 2023.

In France, Emmanuel Macron was re-elected president on April 24th, 2022. The general elections resulted in a relative

majority for the presidential party in the National Assembly. In Italy, the right-wing coalition secured a clear victory in the general elections on September 25th, 2022. Giorgia Meloni was elected prime minister on October 22nd, 2022.

In China, GDP increased by +3,9% between Q3 2021 and Q3 2022. Activity was adversely affected by the lockdowns and the slowdown in the real estate market. The urban unemployment rate rose to 5,7%. Inflation remained moderate at +1,8% year-on-year. The Chinese central bank cut its key interest rate by 20 basis points, bringing the 1-year refinancing rate to 2,75%. At the conclusion of the 20th CCP Congress in October 2022, Xi Jinping won a third term as General Secretary of the Party and head of the armed forces. The National Health Commission announced the lifting of most health restrictions in December 2022.

Markets

2022 was an annus horribilis for the markets, with very poor performances in almost all asset classes.

Equity markets fell sharply in 2022. The MSCI World index in dollars lost 19,8%, its worst year since 2008. The S&P 500 in dollars fell by -19,4%, the Eurostoxx in euro by -14,4%, the Topix in yen by -5,1% and the MSCI Emerging Stock Index in dollars by -22,4%. Within the equity markets, cyclical stocks held up better than growth stocks.

In the first quarter, the prospect of further monetary tightening by central banks, the outbreak of war between Russia and Ukraine and soaring commodity prices caused a sharp decline in the markets.

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

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

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

The bond markets also suffered in 2022. The context of very high inflation and the adoption of more restrictive measures or statements by central banks led to major pressure on sovereign yields. The US 10-year Treasury yield rose from 1,51% to 3,87%, peaking at 4,24% on October 24th, 2022. The German 10-year government bond yield ended the year at a high of 2,57%, compared with a level of -0,18% at the end of 2021.

Credit spreads on European corporate issuers widened significantly in the Investment Grade and High Yield segments. According to the ICE Bank of America indices, the former rose from 98 to 159 basis points and the latter from 331 to 498 basis points.

The rise in interest rates and widening of spreads led to negative performances in all segments. In the Eurozone, government bonds fell by -18,2%, investment grade bonds by -13,9%, high yield bonds by -11,2% and subordinated financial bonds by 13,0%. 10-year US Treasuries fell by 14,9%.

On the foreign exchange market, the euro depreciated by -5,8% against the dollar and by -4,6% against the Swiss franc. It appreciated by +7,3% against the yen and by +5,2% against the pound sterling. Emerging currencies depreciated on average by -5,0% against the dollar, according to the JPMorgan index.

The S&P GSCI commodity price index rose by +8,7% in 2022. The price of a barrel of Brent crude oil rose from \$77 to \$85 with a peak of \$128 in early March.

MANAGEMENT POLICY

For the full year (from December 31st, 2021 to December 30th, 2022), Lazard Alpha Euro SRI (I share) recorded a performance of -6,23% while its benchmark, the Eurostoxx net dividends reinvested, fell by -12,31%, i.e. an outperformance of 608 basis points.

In the first quarter of 2022, the fund (I share) outperformed its benchmark by 228 basis points (-6,66% vs. -8,94%). January 2022 will be remembered as a turning point in the bond market and a paradigm shift for central banks. Long before the Fed confirmed its tightening bias at the end of January, the US 10-year yield began its upward trend at the beginning of the month. The yield on the T-bond rose from 1,51% to 1,77%, sending European long rates higher in its wake despite the ECB's denials. This month was also marked by a lull in gas prices in Europe, but an acceleration in the oil price, which rose from \$77 to \$89. Following these various reversals, the market reacted drastically with a thematic rotation out of growth stocks, before fading slightly at the end of the month. This context fully benefited the fund and gave it the fourth best relative performance in its history, ending the month with a rise of 0,97% (I share) against a fall of 3,74% for its benchmark, i.e. an outperformance of 471 basis points. It was hurt by the declines of Dassault Systèmes, Worldline and Continental, but benefited from its exposure to banks and automotive and from good stock picks in healthcare. Renault, Intesa Sanpaolo, Orange, Société Générale, Holcim and Bayer AG were the top contributors over the month. The market continued the upward trend from early February, with long-term interest rates in the United States and Europe coming under pressure, which impacted growth stocks. In Ukraine, the start of military operations and subsequent international sanctions brought this movement to an abrupt halt. Not only did the market fall sharply, ending the month down 5,18%, but its trend was completely reversed compared with the first weeks of 2021, with cyclical and banking stocks particularly hard hit while growth stocks fared better. The fund, boosted by the very good earnings releases of its stocks – cases in point are JDE Peets, Reckitt Benckiser, Worldline, AstraZeneca, Carrefour, Société Générale and Renault – reached an outperformance peak on February 23rd but was then hurt by the very strong rotation at the end of the month, ending February at -5,64% (I share). Although the good results cushioned the shock, the fund was nevertheless negatively affected by its exposure to automotive and banks, notably Renault, Société Générale and Alstom, which were penalised for their (moderate) exposure to Russia, as well as Michelin, ING, Daimler Truck and BNP. Apart from the aforementioned stocks, the fund nevertheless benefited from the outperformance of Orange, ENI and Dassault Systèmes. While the fear of an economic slowdown due to the events in Ukraine pushed down long-term interest rates at the end of the month, March was a completely different story: the strengthening of inflationary signals shook the bond market, propelling a meteoric and even historic rise in bond yields. The 10-year T-Bond rose from 1,8% to 2,3% and the Bund from 0% to 0,55%. Oil prices experienced a violent shock, briefly approaching \$140 before falling back to \$105. Gas and electricity prices in Europe also soared to unprecedented levels but also fell back sharply. The equity markets were resilient to the bad news, but behaved particularly defensively, which hurt the portfolio's performance. The Eurostoxx fell by 0,24% and the fund by 1,98% (IC share). It was particularly hurt by its exposure to automotive, industrial goods and commodities, while healthcare, the absence of utilities and retail proved positive. Aperam, Renault, Worldline, Continental, JDE Peets and Reckitt-Benckiser made negative contributions, while Bayer, AstraZeneca, Carrefour and Axa outperformed.

In the second quarter, the fund (I shares) outperformed its benchmark by 230 basis points (-8,25% vs. -10,55%). Energy and agricultural commodity prices stabilised at high levels but stopped rising during April. This did not prevent inflation from continuing to accelerate, sometimes quite dramatically in some countries. Central banks on both sides of the Atlantic continued to tighten their rhetoric, while China's seemingly-eternal pursuit of a zero-Covid policy continues to disrupt supply chains, further stimulating the inflationary environment, while also raising fears of a lasting slowdown in the country. The US T-Bond and the German Bund ended the month at the highest yields of the past three years, 2,93% and 0,93%, respectively. The dollar strengthened very markedly, from 1,12 to 1,06 against the euro. Overall, the first quarterly corporate earnings releases were very good in Europe. The fund (C share) outperformed the market by 154 basis points. It was hurt by the absence of utilities but benefited from its exposure to healthcare, personal care and construction materials. Individually, STMicroelectronics, Aperam and Banco Santander made negative contributions, while Reckitt Benckiser, AkzoNobel, Holcim Ltd, JDE Peets, AstraZeneca and Orange outperformed. As interest rates continued to rise rapidly during the month of May, the ECB adopted an increasingly hawkish tone, further accelerating the trend in Europe, more so than in the US, to the extent that the dollar halted its rise, ending the month at \$1,07 against the euro. On the energy front, the pressure on prices remained very high. While there was a relative lull in the European gas market, US gas prices ended up taking off, as did European electricity and oil prices, which continued to rise steadily and reached new annual highs. Despite this rather threatening environment, accompanied by several resounding profit warnings in the United States, the market held up well and managed to move into positive territory, at +0,41%.

The fund outperformed very significantly, at +2,66% (I share). Negatively affected by media and consumer goods, particularly Publicis, and despite the decline of Carrefour, Dassault Systèmes and EssilorLuxottica, it benefited fully from the automotive, industrial goods and banking sectors. The best positive contributors over the month were

Alstom, Société Générale, Daimler Truck, BNP Paribas, Continental and Renault. June was characterised by two very different, and almost opposite, market phases. The first fortnight was marked by very strong pressure on European long rates, under the effect of accelerating inflation fears. The French 10-year yield came close to 2,40%, a level hardly imaginable just a few months ago, and the German Bund reached 1,76%. But in the second fortnight, with concerns about upcoming gas shortages in Europe, recession fears came to the forefront. Long-term interest rates fell sharply and the euro weakened to \$1,04. Equity markets retreated and due to this sudden rotation, the fund underperformed significantly, at -10,48% (1 share) compared with -9,38% for its benchmark. The portfolio was negatively affected by its exposure to basic resources and technology, particularly Aperam, AkzoNobel, STMicroelectronics and Saint-Gobain. On the other hand, it benefited from stocks that seem to offer good resistance to economic conditions, such as AstraZeneca, Reckitt Benckiser, JDE Peets, Orange and Sampo.

In the third quarter, the fund (1 shares) outperformed its benchmark by 70 basis points (-3,74% vs. -4,43%). Despite persistent geopolitical tensions, heightened fears of energy rationing in Europe and the widening of the BTP-Bund spread, the equity market rebounded in July. Some companies are reporting difficulties in coping with the current level of inflation (Direct Line, Coverstro, Schindler, Volvo, SEB) or logistical disruptions (Stora Enso, Airbus, Chr. Hansen). The market is questioning the ability of central banks to maintain their restrictive monetary policies over time. Growth stocks outperformed. Financials and telecoms were out of favour. In the utilities sector, some stocks fell sharply (Uniper, Fortum). Conversely, retail, real estate and industrial stocks outperformed. The fund underperformed. It was hurt by its overexposure to the banking (KBC, Santander) and telecommunications (Orange, Deutsche Telekom) sectors. On the other hand, it benefited from its overweighting of the automotive sector (Renault, Stellantis), as well as the rebounds of Wordline, STM, Aperam and Publicis. After a somewhat euphoric July for equities, the market returned in August to the dual anguish of inflation-driven rate hikes and the prospect of a slowdown in Europe due to the energy crisis, all of which was compounded by the Chinese economy's bumpy ride. The unbridled rise of the dollar, which is positive for most European companies, is also a cause for concern: it has an impact on imported inflation and is putting the ECB under pressure. Against this backdrop, the benchmark lost 5,02% over the month. The fund outperformed significantly at -4,04% (1 share). It was hurt by negative stock picks in healthcare and the declines of cyclical stocks such as Continental, Aperam and Michelin. On the other hand, it benefited from its exposure to banks and good stock picks in consumer goods. Specifically, the top contributors over the month were JDE Peets, Sampo, Axa, BBVA, SoGé, Orange and ENI. In September, the markets were affected by fears of a slowdown in economic activity following rate hikes by several central banks (Fed +75bp, BoE +50bp and ECB +75bp) and the downward revision of global growth forecasts by the OECD. In the Eurozone, inflation hit a record high of +10,0% yoy in September after +9,1% in August. The euro again depreciated against the dollar. News on the political front included Russia's annexation of four Ukrainian regions, the Fratelli d'Italia party winning the Italian elections and the European Council voting to cap revenues for electricity producers at €180/MWh. On the corporate side, Porsche AG was listed on the Frankfurt Stock Exchange, becoming the third largest IPO in European history. The Eurostoxx lost 6,23%.

The fund (1 shares) outperformed (+32bp), benefiting mainly from a positive allocation effect in the banking sector.

In the last quarter, the fund (1 share) outperformed its benchmark by 108 basis points (13,75% vs. 12,67%). While August and September were marked by accelerating inflation leading to a sharp rise in long rates, as well as by the continuing energy crisis in Europe and the harmful zero-Covid policy in China, October saw some appeasement on all these fronts. Buoyed by what were generally good earnings releases, often accompanied by upward revisions despite the uncertainties, the market rose sharply over the month: +7,98%. The fund (1 share) outperformed very significantly with a rise of 9,82% over the period. Although it was hurt by its underexposure to industrial goods, it benefited from good stock picks in automotive, consumer goods, healthcare and energy. Dassault Systèmes, JDE Peets and STMicroelectronics were the main negative contributors to October's performance, while Alstom, ENI, Daimler Truck, Publicis, Carrefour, Société Générale and BBVA were the best contributors. The very strong rebound in equity markets in October continued and intensified in November, under the effect of lower oil prices and commodity prices in general, the easing of long-term interest rates, and quarterly earnings releases, which were satisfactory on the whole and sometimes accompanied by upward revisions. Against this backdrop, the Eurostoxx rose by 8,09% and the fund underperformed slightly, at +7,80% (1 share). The portfolio was hurt by its stock picks in technology stocks and its underexposure to consumer goods, but benefited from its picks in industrial goods, automotive and chemicals. JDE Peets, sold over the period, underperformed, as did Carrefour, Geberit and Worldline. Conversely, Alstom, Daimler Truck, Aperam and STMicroelectronics rebounded and made a positive contribution to performance in November.

The enthusiasm in the equity markets in October and November was followed by a certain nervousness in December under the influence of the European Central Bank's fairly firm stance, which led, among other things, to a spectacular rise in interest rates in Europe, with the 10-year Bund yield rising from 1,81% to 2,56% in a single month, reaching its highest level in more than ten years. The dollar also continued to decline, dropping from \$1,03/€ to \$1,07/€. The fall in energy prices in Europe failed to curb the fall in equity markets; the Eurostoxx lost 3,47% over the month. The fund

(I share) underperformed slightly, at -3,90%. It was negatively affected by its positions in healthcare and industrial goods, but benefited from a good allocation in banks and good stock picks in construction materials. Worldline, Renault, Bayer AG, AkzoNobel and Alstom underperformed, while KBC, Saint-Gobain, Sampo and BBVA made a positive contribution.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EURO SHORT TERM MONEY MARKET "C"	171 627 905,31	169 915 089,25
TOTALENERGIES SE	27 095 191,40	34 688 689,00
KBC GROUPE	27 163 779,00	7 130 465,00
RECKITT BENCKISER GROUP PLC	6 349 208,11	26 737 661,91
ASTRAZENECA PLC	13 094 578,57	19 478 750,04
DAIMLER TRUCK HOLDING AG	26 183 096,50	4 939 306,00
RENAULT SA	13 720 380,00	15 134 547,00
STELLANTIS NV	6 037 880,00	22 040 610,00
VINCI SA	23 623 105,50	3 700 559,50
JDE PEET'S BV	4 603 184,50	22 354 569,11

4. REGULATORY INFORMATION

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

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

- **Exposure through efficient management techniques: None.**

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

- **Underlying exposure through derivative financial instruments: None.**

- 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
Efficient portfolio management techniques . Term deposits . Equities . Bonds . UCITS . Cash (*) Total	None
Derivative financial instruments . Term deposits . Equities . Bonds . UCITS . Cash Total	None

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

d) Operating income and expenses related to efficient management techniques

Operating income and expenses	Amount in the currency of the portfolio
. Income (*) . Other income Total income	None
. Direct operating expenses . Indirect operating expenses . Other expenses Total expenses	None

(*) Income on securities lending and repurchase agreements

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

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

PROCEDURE FOR SELECTING AND ASSESSING INTERMEDIARIES AND COUNTERPARTIES

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

The information can be consulted on the management company's website: www.lazardfreresgestion.fr

BROKERAGE FEES

Information about brokerage fees is available on the website: www.lazardfreresgestion.fr.

EXERCISING VOTING RIGHTS

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

DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA

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

SFDR AND TAXONOMY

Article 8 (SFDR):

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

Report on non-financial performance:

As of December 31st, 2022, in accordance with the asset management company’s rating criteria, the portfolio’s overall rating was 61,129 on a scale of 0 to 100. It was 58,7624 at the start date of the calculation.

Over the measured period, the portfolio’s average ESG rating varied between 58,7624 and 61,129. It remained higher than that of its universe.

Reminder of the investment objective of promoting ESG criteria:

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

The SICAV 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 SICAV’s average ESG rating is higher than the average ESG rating of the initial investment universe.

The initial investment universe is divided into 3 rating zones:

- 80% companies in the Eurozone
- 10% companies in non-euro Europe
- 10% small cap companies

This ESG rating is calculated after excluding 20% of the lowest-rated stocks in each zone (Eurozone, non-euro Europe and small caps).

For the sake of integrity and objectivity, the ratings used for SRI management are produced by an independent external partner.

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

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

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

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

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

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

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

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

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

ART 29: ENERGY AND CLIMATE LAW (LEC)

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

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

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

METHOD USED TO CALCULATE GLOBAL RISK

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

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 I°, I of Article L. 221-31 of the French Monetary and Financial Code.

Proportion actually invested during the financial year: 95,08%.

REMUNERATION

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

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

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

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

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

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

The remuneration policy is reviewed annually.

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

Population at 31/12/2022: Fixed-term and permanent contracts at LFG, LFG Luxembourg and LFG Belgique (i.e. excluding interns and trainees and excluding LFG Courtage)

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

“Identified employees”

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

Note: the amounts are stated excluding charges

OTHER INFORMATION

The UCI's 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

5. CERTIFICATION BY THE STATUTORY AUDITOR



61 rue Henri Regnault, La Défense
92400 Courbevoie
France
Tel.: +33 (0)1 49 97 60 00
Fax: +33 (0)1 49 97 60 01
www.mazars.fr

SICAV LAZARD ALPHA EURO SRI

Statutory auditor's report on the annual financial statements

Financial year ended December 30th, 2022

Mazars

Accounting and auditing public limited company governed by an executive board and a supervisory board

Registered office: 61, rue Henri Régault - 92400 Courbevoie

Capital of €8,320,000 - Nanterre Trade and Companies Register no. 784 824 153

SICAV LAZARD ALPHA EURO SRI

10 avenue Percier
75008 Paris, France

Statutory auditor's report on the annual financial statements

Financial year ended December 30th, 2022

To the shareholders' meeting of LAZARD ALPHA EURO SRI,

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 ALPHA EURO SRI, incorporated as a French open-end investment company (SICAV), for the financial year ended December 30th, 2022.

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.

Basis of our opinion

Audit standards

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

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

Independence

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

Basis of our opinions

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

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

Specific verifications

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

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

We certify that the information required under Article L. 225-37-4 of the French Commercial Code is provided in the section of the 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. 823-10-1 of the French Commercial Code, our audit assignment does not consist in guaranteeing the viability or quality of the management of the 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 SICAV'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.

The statutory auditor

Mazars

Signed at Courbevoie, date of electronic signature

Document authenticated and dated by electronic signature

DocuSigned by:

[signature]

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04 April 2023

Gilles Dunand-Roux



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SICAV LAZARD ALPHA EURO SRI

Statutory auditor's special report on regulated agreements

Financial year ended December 30th, 2022

Mazars

Accounting and auditing public limited company governed by an executive board and a supervisory board

Registered office: 61, rue Henri Régault - 92400 Courbevoie

Capital of €8,320,000 - Nanterre Trade and Companies Register no. 784 824 153

SICAV LAZARD ALPHA EURO SRI

10 avenue Percier
75008 Paris, France

Statutory auditor's special report on regulated agreements

Financial year ended December 30th, 2022

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 characteristics, the main terms and the details of the benefits for the company, 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 (Code de commerce), 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

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.

The statutory auditor

Mazars

Signed at Courbevoie, date of electronic signature

Document authenticated and dated by electronic signature

DocuSigned by:

[signature]

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04 April 2023

Gilles Dunand-Roux

6. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30/12/2022 in EUR

ASSETS

	30/12/2022	31/12/2021
NET NON-CURRENT ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	791 579 483,67	814 620 355,62
Equities and similar securities	789 483 831,87	814 248 670,22
Traded on a regulated or equivalent market	789 483 831,87	814 248 670,22
Not traded on a regulated or equivalent market		
Bonds and similar securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Debt securities		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	2 095 651,80	371 685,40
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	2 095 651,80	371 685,40
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
Temporary securities transactions		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
Other financial instruments		
RECEIVABLES	258 205,05	209 749,09
Currency forward exchange transactions		
Other	258 205,05	209 749,09
FINANCIAL ACCOUNTS	450 004,62	414 439,02
Cash and cash equivalents	450 004,62	414 439,02
TOTAL ASSETS	792 287 693,34	815 244 543,73

LIABILITIES AND SHAREHOLDERS' EQUITY

	30/12/2022	31/12/2021
SHAREHOLDERS' EQUITY		
Share capital	757 181 951,76	778 084 095,05
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)		
Net capital gains and losses for the year (a, b)	16 741 765,20	25 880 791,22
Net income for the year (a, b)	16 085 616,20	10 251 131,59
TOTAL SHAREHOLDERS' EQUITY*	790 009 333,16	814 216 017,86
<i>* Sum representing the net assets</i>		
FINANCIAL INSTRUMENTS		
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
LIABILITIES	2 278 360,18	1 028 525,87
Currency forward exchange transactions		
Other	2 278 360,18	1 028 525,87
FINANCIAL ACCOUNTS		
Bank overdrafts		
Borrowings		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	792 287 693,34	815 244 543,73

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS OF 30/12/2022 in euros

	30/12/2022	31/12/2021
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

INCOME STATEMENT AS OF 30/12/2022 in euros

	30/12/2022	31/12/2021
Income from financial transactions		
Income from deposits and financial accounts		
Income from equities and similar securities	26 517 003,24	19 580 475,81
Income from bonds and similar securities		
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
TOTAL (1)	26 517 003,24	19 580 475,81
Expenses related to financial transactions		
Expenses related to temporary purchases and sales of securities		
Expenses related to forward financial instruments		
Expenses related to financial liabilities	2 006,09	2 949,13
Other financial charges		
TOTAL (2)	2 006,09	2 949,13
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	26 514 997,15	19 577 526,68
Other income (3)		
Management fees and depreciation and amortisation (4)	10 188 890,78	8 791 775,20
NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	16 326 106,37	10 785 751,48
Income adjustment for the financial year (5)	-240 490,17	-534 619,89
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	16 085 616,20	10 251 131,59

I. 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)[®] 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 date or whose prices have been adjusted are valued at their probable trading price under the responsibility of the SICAV's Board of Directors.

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 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 (overnight EONIA, 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**

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) using the following formula:

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

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:

<i>Expenses charged to the SICAV</i>	<i>Basis</i>	<i>Rate</i>	
Financial management fees	Net assets	I shares: Maximum 0,980% incl. taxes IC shares: Maximum 0,980% incl. taxes R shares: Maximum 1,980% incl. taxes T shares: Maximum 0,980% incl. taxes	
Administrative fees external to the management company	Net assets	I, IC, R and T shares: Maximum rate 0,020%	
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	Equities, bonds, debt securities and foreign exchange	From 0% to 0,20%, incl. tax
		Futures and other transactions	From €0 to €450 incl. tax per contract
Performance fee (I, IC, R and T shares)	Net assets	15% of the annual outperformance relative to the benchmark	

Outperformance:

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 01/01/2018. 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 and recorded a positive absolute performance over the year. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

Provisioning

Each time the net asset value (NAV) is established, the performance fee is subject to a provision (of 15% 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 30/12/2022.

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

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Net income:

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

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

Capital gains and losses:

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

Allocation of distributable income:

<i>Share(s)</i>	<i>Allocation of net income</i>	<i>Allocation of net realised capital gains or losses</i>
LAZARD ALPHA 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 ALPHA EURO SRI IC shares	Accumulation	Accumulation
LAZARD ALPHA 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 ALPHA 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 30/12/2022 in euros

	30/12/2022	31/12/2021
NET ASSETS AT START OF YEAR	814 216 017,86	571 043 233,56
Subscriptions (including subscription fees retained by the Fund)	415 849 771,84	401 722 042,06
Redemptions (net of redemption fees retained by the Fund)	-380 350 777,59	-300 226 400,09
Realised capital gains on deposits and financial instruments	41 250 239,81	56 544 669,68
Realised capital losses on deposits and financial instruments	-22 465 975,38	-26 041 300,20
Realised capital gains on forward financial instruments		
Realised capital losses on forward financial instruments		
Transaction charges	-4 475 124,88	-4 004 392,47
Exchange rate differences	-21 483,00	1 729 706,28
Changes in valuation difference of deposits and financial instruments	-90 319 441,87	102 662 707,56
<i>Valuation difference for financial year N</i>	<i>-18 911 458,63</i>	<i>71 407 983,24</i>
<i>Valuation difference for financial year N-1</i>	<i>-71 407 983,24</i>	<i>31 254 724,32</i>
Changes in valuation difference of forward financial instruments		
<i>Valuation difference for financial year N</i>		
<i>Valuation difference for financial year N-1</i>		
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year		
Net profit/loss for the financial year prior to income adjustment	16 326 106,37	10 785 751,48
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items		
NET ASSETS AT END OF YEAR	790 009 333,16	814 216 017,86

3. ADDITIONAL INFORMATION

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
TOTAL BONDS AND SIMILAR SECURITIES		
DEBT SECURITIES		
TOTAL DEBT SECURITIES		
LIABILITIES AND SHAREHOLDERS' EQUITY		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS		
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
ASSETS								
Deposits								
Bonds and similar securities								
Debt securities								
Temporary securities transactions								
Financial accounts							450 004,62	0,06
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

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

	< 3 months	%]3 months-1 year]	%]1 – 3 years]	%]3 – 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and similar securities										
Debt securities										
Temporary securities transactions										
Financial accounts	450 004,62	0,06								
LIABILITIES AND SHAREHOLDER S' EQUITY										
Temporary securities transactions										
Financial accounts										
OFF-BALANCE SHEET										
Hedging transactions										
Other transactions										

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

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

	Currency 1 CHF		Currency 2 GBP		Currency 3		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and similar securities	19 405 539,52	2,46	18 965 342,35	2,40				
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables								
Financial accounts								
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	30/12/2022
RECEIVABLES		
	Subscription receivables	258 205,05
TOTAL RECEIVABLES		258 205,05
LIABILITIES		
	Redemptions payable	268 933,94
	Fixed management fees	842 882,33
	Variable management fees	1 166 543,91
TOTAL LIABILITIES		2 278 360,18
TOTAL LIABILITIES AND RECEIVABLES		-2 020 155,13

3.6. SHAREHOLDERS' EQUITY

3.6.1. Number of securities issued or redeemed

	In equity	In amounts
LAZARD ALPHA EURO SRI I shares		
Shares subscribed during the financial year	561 225,889	300 958 347,28
Shares redeemed during the financial year	-596 362,861	-313 243 632,57
Net balance of subscriptions/redemptions	-35 136,972	-12 285 285,29
Number of shares outstanding at the end of the financial year	1 122 132,307	
LAZARD ALPHA EURO SRI IC shares		
Shares subscribed during the financial year	8 115,200	3 556 376,47
Shares redeemed during the financial year	-3 353,212	-1 374 558,60
Net balance of subscriptions/redemptions	4 761,988	2 181 817,87
Number of shares outstanding at the end of the financial year	20 973,438	
LAZARD ALPHA EURO SRI R shares		
Shares subscribed during the financial year	201 224,900	93 059 534,11
Shares redeemed during the financial year	-105 382,123	-47 889 422,48
Net balance of subscriptions/redemptions	95 842,777	45 170 111,63
Number of shares outstanding at the end of the financial year	322 395,583	
LAZARD ALPHA EURO SRI T shares		
Shares subscribed during the financial year	57 914,217	18 275 513,98
Shares redeemed during the financial year	-56 524,653	-17 843 163,94
Net balance of subscriptions/redemptions	1 389,564	432 350,04
Number of shares outstanding at the end of the financial year	143 466,147	

3.6.2. Subscription and/or redemption fees

	In amounts
LAZARD ALPHA EURO SRI I shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD ALPHA EURO SRI IC shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD ALPHA EURO SRI R shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD ALPHA EURO SRI T shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

3.7. MANAGEMENT FEES

	30/12/2022
LAZARD ALPHA EURO SRI I shares	
Guarantee fees	
Fixed management fees	5 966 239,44
Percentage of fixed management fees	1,00
Provisioned variable management fees	410 716,89
Percentage of variable management fees provisioned	0,07
Variable management fees earned	197 285,66
Percentage of variable management fees earned	0,03
Retrocessions of management fees	
LAZARD ALPHA EURO SRI IC shares	
Guarantee fees	
Fixed management fees	83 229,29
Percentage of fixed management fees	1,00
Provisioned variable management fees	35 340,27
Percentage of variable management fees provisioned	0,42
Variable management fees earned	4 737,61
Percentage of variable management fees earned	0,06
Retrocessions of management fees	
LAZARD ALPHA EURO SRI R shares	
Guarantee fees	
Fixed management fees	2 531 145,93
Percentage of fixed management fees	2,00
Provisioned variable management fees	243 087,94
Percentage of variable management fees provisioned	0,19
Variable management fees earned	54 171,94
Percentage of variable management fees earned	0,04
Retrocessions of management fees	
LAZARD ALPHA EURO SRI T shares	
Guarantee fees	
Fixed management fees	441 732,21
Percentage of fixed management fees	1,00
Provisioned variable management fees	180 144,76
Percentage of variable management fees provisioned	0,41
Variable management fees earned	41 058,84
Percentage of variable management fees earned	0,09
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.”

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the Fund:

None.

3.8.2. Other commitments received and/or given:

None.

3.9. OTHER INFORMATION

3.9.1. Present value of financial instruments held temporarily

	30/12/2022
Securities held under repurchase agreements	
Borrowed securities	

3.9.2. Present value of financial instruments representing security deposits

	30/12/2022
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

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

	ISIN code	Name	30/12/2022
Equities			
Bonds			
Negotiable debt securities			
UCIs			2 095 651,80
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET "C"	2 095 651,80
Forward financial instruments			
Total group securities			2 095 651,80

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	30/12/2022	31/12/2021
Remaining amounts to be allocated		
Retained earnings		
Net income	16 085 616,20	10 251 131,59
Total	16 085 616,20	10 251 131,59

	30/12/2022	31/12/2021
LAZARD ALPHA EURO SRI I shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	13 428 097,96	8 975 473,95
Total	13 428 097,96	8 975 473,95

	30/12/2022	31/12/2021
LAZARD ALPHA EURO SRI IC shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	154 083,95	98 782,75
Total	154 083,95	98 782,75

	30/12/2022	31/12/2021
LAZARD ALPHA EURO SRI R shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	1 654 209,47	504 231,49
Total	1 654 209,47	504 231,49

	30/12/2022	31/12/2021
LAZARD ALPHA EURO SRI T shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	849 224,82	672 643,40
Total	849 224,82	672 643,40

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

	30/12/2022	31/12/2021
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	16 741 765,20	25 880 791,22
Interim dividends paid on net capital gains/losses for the financial year		
Total	16 741 765,20	25 880 791,22

	30/12/2022	31/12/2021
LAZARD ALPHA EURO SRI I shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	12 432 571,23	20 544 908,17
Total	12 432 571,23	20 544 908,17

	30/12/2022	31/12/2021
LAZARD ALPHA EURO SRI IC shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	183 399,13	227 432,51
Total	183 399,13	227 432,51

	30/12/2022	31/12/2021
LAZARD ALPHA EURO SRI R shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	3 153 753,01	3 565 468,89
Total	3 153 753,01	3 565 468,89

	30/12/2022	31/12/2021
LAZARD ALPHA EURO SRI T shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	972 041,83	1 542 981,65
Total	972 041,83	1 542 981,65

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

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
Global net assets in euros	573 733 095,62	613 407 248,40	571 043 233,56	814 216 017,86	790 009 333,16
LAZARD ALPHA EURO SRI I shares in euros					
Net assets	493 197 083,43	536 638 491,34	489 306 890,18	646 535 160,34	587 878 680,74
Number of shares	1 272 578,186	1 122 556,995	1 071 111,443	1 157 269,279	1 122 132,307
Net asset value per share	387,55	478,05	456,82	558,67	523,89
Accumulation per share pertaining to net capital gains/losses	11,56	-2,17	-7,04	17,75	11,07
Accumulation per share pertaining to income	8,12	11,28	4,63	7,75	11,96
LAZARD ALPHA EURO SRI IC shares in euros					
Net assets	1 393 290,92	2 242 969,82	4 378 147,74	7 157 998,61	8 644 323,17
Number of shares	4 548,371	5 936,085	12 125,337	16 211,450	20 973,438
Net asset value per share	306,32	377,85	361,07	441,53	412,15
Accumulation per share pertaining to net capital gains/losses	9,14	-1,71	-5,56	14,02	8,74
Accumulation per share pertaining to income	6,42	8,91	3,66	6,09	7,34
LAZARD ALPHA EURO SRI R shares in euros					
Net assets	45 396 389,81	45 248 222,64	41 633 240,88	111 960 755,06	147 680 150,87
Number of shares	128 504,032	104 882,460	102 002,685	226 552,806	322 395,583
Net asset value per share	353,26	431,41	408,15	494,19	458,07
Accumulation per share pertaining to net capital gains/losses	10,63	-1,96	-6,31	15,73	9,78
Accumulation per share pertaining to income	3,29	6,25	0,49	2,22	5,13

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

	31/12/2018	31/12/2019	31/12/2020	31/12/2021	30/12/2022
LAZARD ALPHA EURO SRI T shares in euros					
Net assets	33 746 331,46	29 277 564,60	35 724 954,76	48 562 103,85	45 806 178,38
Number of shares	142 317,570	100 098,946	127 818,287	142 076,583	143 466,147
Net asset value per share	237,11	292,48	279,49	341,80	319,28
Accumulation per share pertaining to net capital gains/losses	5,87	-1,32	-4,31	10,86	6,77
Accumulation per share pertaining to income	5,21	6,90	2,83	4,73	5,91

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Equities and similar securities				
Bonds and similar securities traded on a regulated or similar market				
GERMANY				
BAYER	EUR	410 000	19 813 250,00	2,51
BMW BAYERISCHE MOTOREN WERKE	EUR	240 000	20 011 200,00	2,53
CONTINENTAL AG	EUR	350 000	19 593 000,00	2,48
DAIMLER TRUCK HOLDING AG	EUR	660 000	19 103 700,00	2,42
DEUTSCHE TELEKOM AG	EUR	1 050 000	19 569 900,00	2,48
SAP SE	EUR	205 000	19 759 950,00	2,50
SIEMENS AG-REG	EUR	155 000	20 094 200,00	2,54
TOTAL GERMANY			137 945 200,00	17,46
BELGIUM				
ANHEUSER BUSCH INBEV SA/NV	EUR	350 000	19 694 500,00	2,48
KBC GROUPE	EUR	340 000	20 427 200,00	2,59
TOTAL BELGIUM			40 121 700,00	5,07
SPAIN				
BANCO DE BILBAO VIZCAYA S.A.	EUR	3 600 000	20 282 400,00	2,57
BANCO SANTANDER S.A.	EUR	7 300 000	20 458 250,00	2,59
TOTAL SPAIN			40 740 650,00	5,16
FINLAND				
SAMPO OYJ A	EUR	400 000	19 528 000,00	2,48
TOTAL FINLAND			19 528 000,00	2,48
FRANCE				
AIR LIQUIDE	EUR	150 000	19 860 000,00	2,52
ALSTOM	EUR	850 000	19 397 000,00	2,46
AXA	EUR	760 000	19 801 800,00	2,51
BNP PARIBAS	EUR	380 000	20 235 000,00	2,56
CARREFOUR	EUR	1 250 000	19 550 000,00	2,47
DASSAULT SYST.	EUR	580 000	19 427 100,00	2,46
ESSILORLUXOTTICA	EUR	110 000	18 612 000,00	2,35
LVMH (LOUIS VUITTON - MOET HENNESSY)	EUR	30 000	20 397 000,00	2,59
MICHELIN (CGDE)	EUR	760 000	19 748 600,00	2,50
ORANGE	EUR	2 150 000	19 954 150,00	2,52
PUBLICIS GROUPE SA	EUR	330 000	19 608 600,00	2,48
RENAULT SA	EUR	620 000	19 390 500,00	2,45
SAINT-GOBAIN	EUR	440 000	20 086 000,00	2,54
SANOFI	EUR	230 000	20 663 200,00	2,62
SCHNEIDER ELECTRIC SA	EUR	150 000	19 608 000,00	2,49
SOCIETE GENERALE SA	EUR	850 000	19 958 000,00	2,52
TOTALENERGIES SE	EUR	350 000	20 527 500,00	2,60
VINCI SA	EUR	215 000	20 057 350,00	2,54
WORLDLINE SA	EUR	520 000	18 995 600,00	2,40
TOTAL FRANCE			375 877 400,00	47,58
IRELAND				
KERRY GROUP PLC-A	EUR	230 000	19 375 200,00	2,45
TOTAL IRELAND			19 375 200,00	2,45

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
ITALY				
ENI SPA	EUR	1 500 000	19 929 000,00	2,52
INTESA SANPAOLO	EUR	9 700 000	20 156 600,00	2,55
TOTAL ITALY			40 085 600,00	5,07
LUXEMBOURG				
APERAM	EUR	670 000	19 758 300,00	2,50
TOTAL LUXEMBOURG			19 758 300,00	2,50
NETHERLANDS				
AKZO NOBEL	EUR	310 000	19 393 600,00	2,46
ASML HOLDING NV	EUR	38 000	19 144 400,00	2,42
TOTAL NETHERLANDS			38 538 000,00	4,88
UNITED KINGDOM				
ASTRAZENECA PLC	GBP	150 000	18 965 342,35	2,40
TOTAL UNITED KINGDOM			18 965 342,35	2,40
SWITZERLAND				
GEBERIT NOM.	CHF	44 000	19 405 539,52	2,46
STMICROELECTRONICS NV	EUR	580 000	19 142 900,00	2,42
TOTAL SWITZERLAND			38 548 439,52	4,88
TOTAL Equities and similar securities traded on a regulated or similar market			789 483 831,87	99,93
TOTAL Equities and similar securities			789 483 831,87	99,93
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD EURO SHORT TERM MONEY MARKET "C"	EUR	1 060	2 095 651,80	0,27
TOTAL FRANCE			2 095 651,80	0,27
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other			2 095 651,80	0,27
TOTAL Undertakings for collective investment			2 095 651,80	0,27
Receivables			258 205,05	0,03
Liabilities			-2 278 360,18	-0,29
Financial accounts			450 004,62	0,06
Net assets			790 009 333,16	100,00

LAZARD ALPHA EURO SRI I shares	EUR	1 122 132,307	523,89
LAZARD ALPHA EURO SRI R shares	EUR	322 395,583	458,07
LAZARD ALPHA EURO SRI T shares	EUR	143 466,147	319,28
LAZARD ALPHA EURO SRI IC shares	EUR	20 973,438	412,15

LAZARD ALPHA 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 PARIS

RESOLUTION ON THE ALLOCATION OF DISTRIBUTABLE INCOME

FINANCIAL YEAR ENDED DECEMBER 30th, 2022

Second resolution

The Shareholders' Meeting approves the distributable income for the financial year, which amounts to:

€16 085 616,20 distributable amount pertaining to net income;

€16 741 765,20 distributable amount pertaining to net capital gains and losses

and decides that they shall be allocated as follows:

1) Distributable amount pertaining to net income

€16 085 616,20 to the share capital pursuant to Article 27 of the company's articles of association

2) Distributable amount pertaining to net capital gains and losses

€16 741 765,20 accumulation.

No dividends will therefore be paid for this financial year.

7. APPENDIX(ES)

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

Product name: LAZARD ALPHA EURO SRI

Legal entity identifier: 969500XYCV50WQMIVV64

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

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

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It made sustainable investments with an environmental objective:</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It made a minimum of sustainable investments with a social objective</p>	<p><input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 73,68% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>
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Sustainability indicators measure how the environmental or social characteristics promoted by the product are attained.

To what extent was the sustainable investment objective of this financial product met?

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

Environmental policy:

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

Controlling environmental impacts:

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

Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

Moreover, the portfolio promotes the following social characteristics:

Respect for human rights:

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

Human resources management:

- Constructive social dialogue
- Training and career management conducive to human development
- 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 at several levels:

In terms of valuation in the internal analysis model:

The ESG analysis of directly held securities is based on a proprietary model that relies on an internal ESG grid. Based on the various data provided by

our ESG partners (non-financial analysis agencies, external service providers, etc.), the annual reports of the companies and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG rating.

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

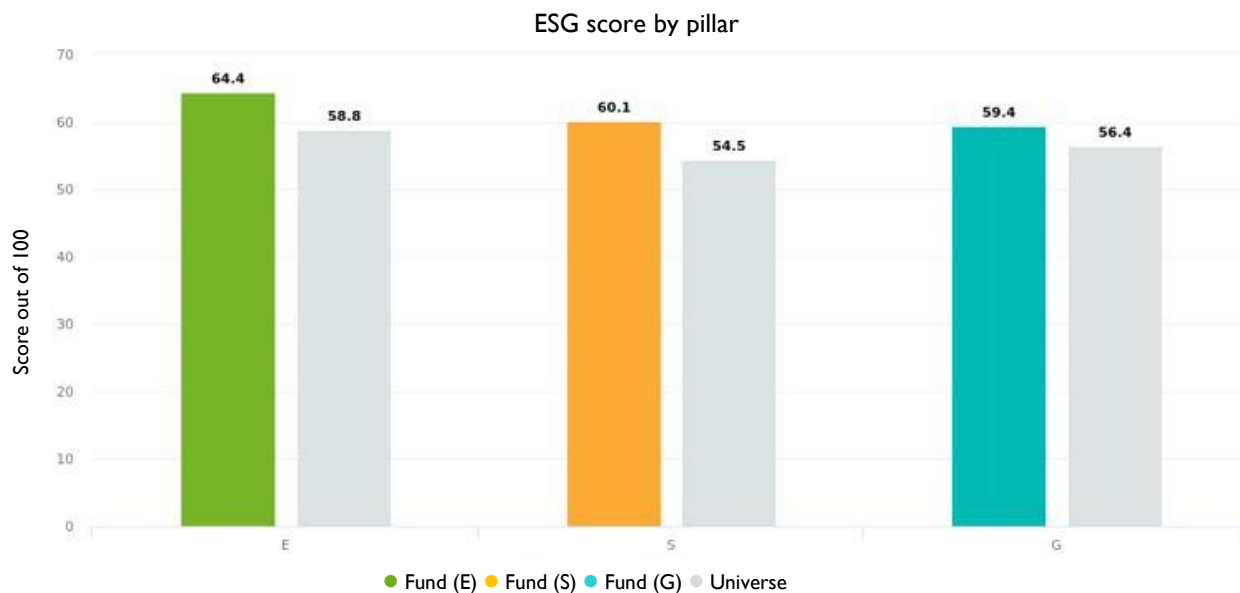
Each E, S and G pillar is rated from 1 to 5 based on a minimum of ten relevant key indicators per dimension.

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

Evolution of the ESG



The portfolio's reference ESG universe is:
 80% Eurozone companies + 10% non-euro European companies + 10% small cap companies



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

Not applicable

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

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

The environmental indicators used are as follows:

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

The social indicators used are as follows:

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

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

The table below presents the rules (targets) set for each indicator as well as the

result obtained over the past period. The result is the average share of the portfolio invested in companies meeting these criteria, calculated on a quarterly basis. The average share is calculated according to the average positions observed over the past period, coupled with the non-financial data at the end of the period.

	Rule	Average share of the portfolio
Carbon footprint in €m	Included in the lowest 20% of the sector	16,51%
GHG intensity	Included in the lowest 20% of the sector	22,45%
Implied temperature rise in 2100	≤2 °C	53,16%
Number of low-carbon patents	Included in the top 20% of the universe	39,17%
% of women in executive management	Included in the top 20% of the universe	2,47%
Number of hours of training for employees	Included in the top 20% of the universe	7,04%
Benefits coverage	See sustainable investment presentation www.lazardfreresgestion.fr	15,77%
Diversity policies by management	See presentation www.lazardfreresgestion.fr	42,96%

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

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

Alternative indicators are also presented on the Lazard Frères Gestion website under the heading “sustainable investment methodology”.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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:
01/01/2022 to
30/12/2022

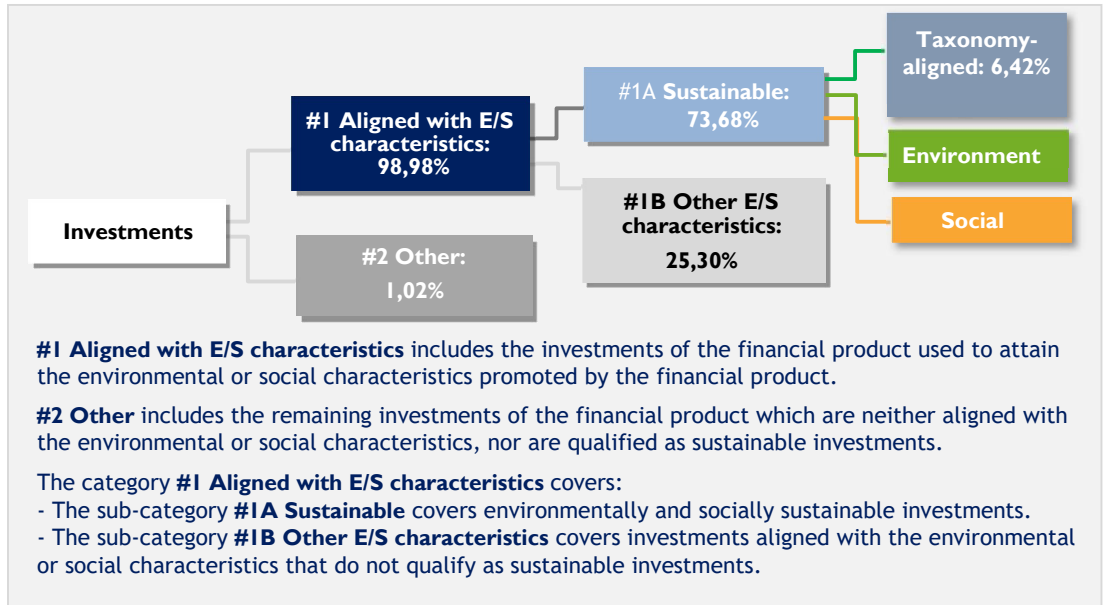
Largest investments	Sector	Percentage of assets	Country
1. ASML HOLDING N.V.	Manufacturing	2,67%	Netherlands
2. LVMH MOET HENNESSY LOUIS VUITTON SE	Manufacturing	2,67%	France
3. AXA SA	Financial and insurance activities	2,64%	France

Largest investments	Sector	Percentage of assets	Country
4. BNP PARIBAS SA	Financial and insurance activities	2,62%	France
5. SANOFI SA	Manufacturing	2,57%	France
6. SOCIETE GENERALE SA	Financial and insurance activities	2,55%	France
7. SAP SE	Information and communication	2,55%	Germany
8. DEUTSCHE TELEKOM AG	Information and communication	2,54%	Germany
9. BANCO SANTANDER, S.A.	Financial and insurance activities	2,54%	Spain
10. SIEMENS AKTIENGESELLSCHAFT	Manufacturing	2,54%	Germany
11. PUBLICIS GROUPE SA	Professional, scientific and technical activities	2,53%	France
12. BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	Financial and insurance activities	2,52%	Spain
13. ASTRAZENECA PLC	Manufacturing	2,51%	United Kingdom
14. STMICROELECTRONICS NV	Manufacturing	2,51%	Switzerland
15. RENAULT SA	Manufacturing	2,50%	France



What was the proportion of sustainability-related investment?

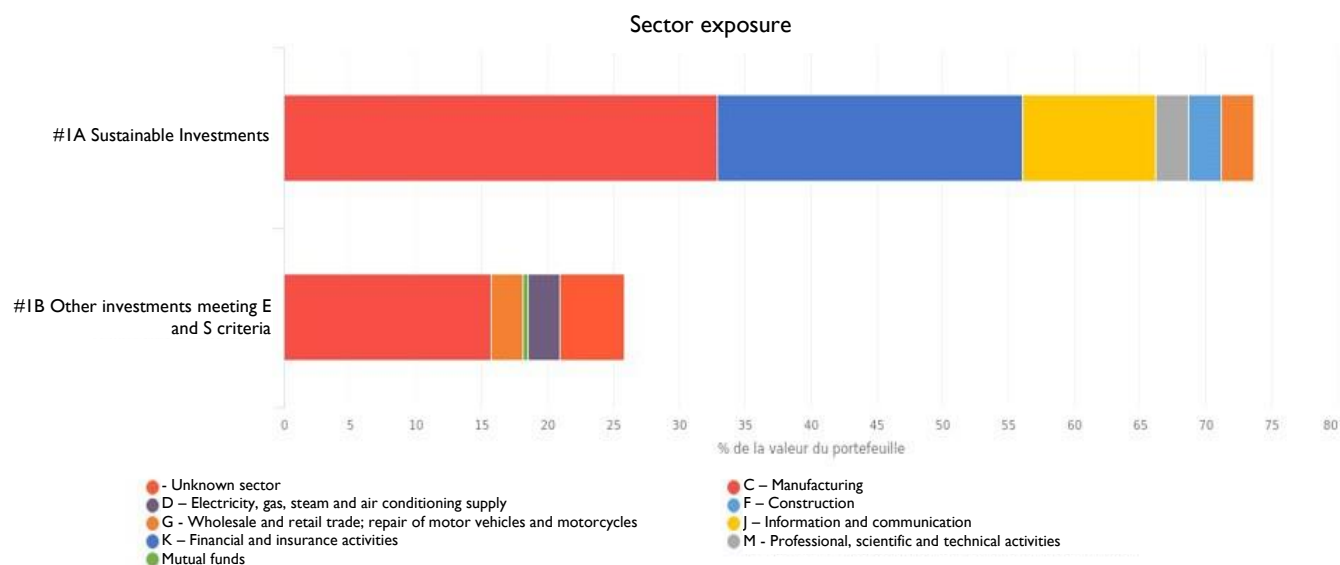
● What was the asset allocation?



Details of sustainable investments	
Weight of sustainable investments in the portfolio	73,68%
Of which sustainable investments E	71,06%
Of which sustainable investments S	54,41%

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

In which economic sectors were the investments made?



Exposure to the fossil fuel sector was 7,10% on average over the period.

Taxonomy-aligned activities are expressed as a share of:

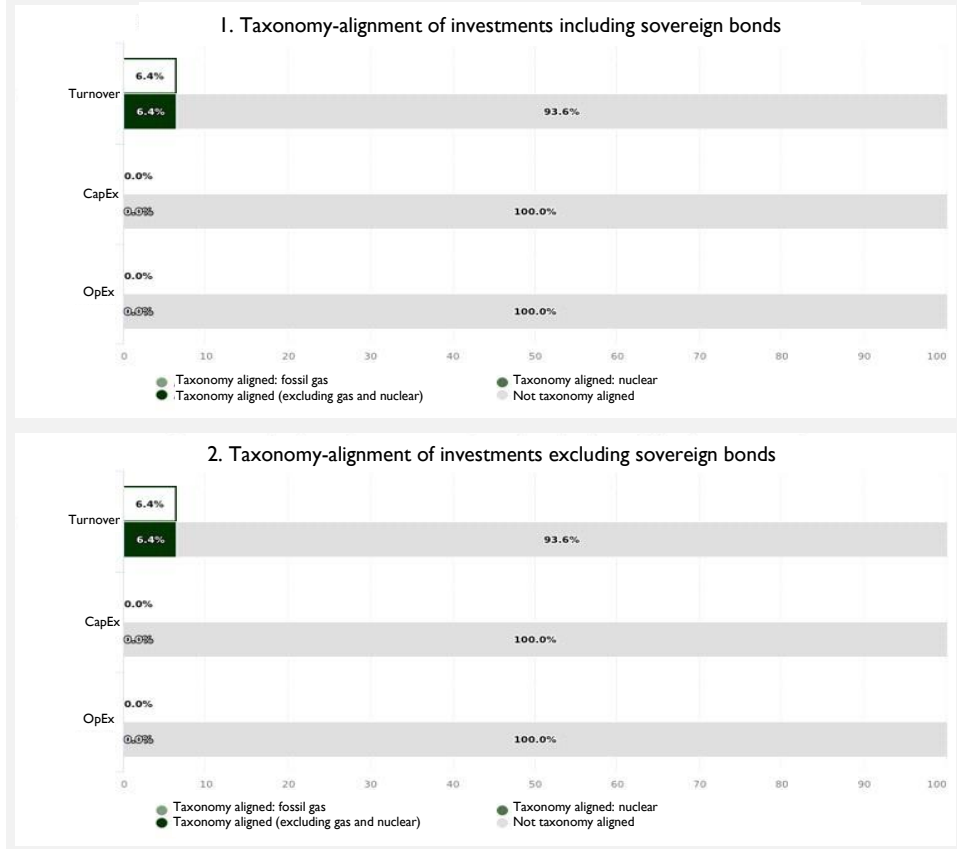
- **turnover** reflects the “greenness” of investee companies today;
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy;
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

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

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

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

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



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

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

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

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

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

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

Not applicable



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



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

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 71,00%.

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 54,41%

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



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

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 1,02%.



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

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

- The non-financial analysis rate

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

This rate is expressed as a percentage of total assets.

Over the past period, the non-financial analysis rate was 98,98% on average.

- The portfolio's average ESG rating

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

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

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

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



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

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.