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

PROSPECTUS

I – GENERAL FEATURES

I-1 – Form of the UCITS

Name: **Lazard Sustainable Credit 2025**

Legal form: French open-end investment fund (*Fonds Commun de Placement*)

Inception date – term: This Fund was created on **December 10th, 2019** for a period of 99 years. It was accredited on **November 15th, 2019**.

Fund overview:

Unit categories	ISIN code	Allocation of distributable income	Base currency	Eligible investors	NAV at inception	Minimum amount of initial subscription
PC H-EUR units:	FR0013444908	Allocation of net income: accumulation Allocation of net realised capital gains: accumulation	EURO	Authorised investors*	€1 000	€1 000
PD H-EUR units:	FR0013444916	Allocation of net income: distribution Allocation of net realised capital gains: accumulation, distribution and/or retained	EURO	Authorised investors*	€1 000	€1 000
RC H-EUR units	FR0013444924	Allocation of net income: accumulation Allocation of net realised capital gains: accumulation	EURO	All subscribers	€100	€1 000
RD H-EUR units	FR0013444932	Allocation of net income: distribution and/or retained Allocation of net realised capital gains: accumulation, distribution and/or retained	EURO	All subscribers	€100	€1 000
RC H-USD units	FR0013468113	Allocation of net income: accumulation Allocation of net realised capital gains: accumulation	USD	All subscribers	USD 100	USD 1 000

RD H-USD	FR0013464146	Allocation of net income: distribution and/or retained Allocation of net realised capital gains: accumulation, distribution and/or retained	USD	All subscribers	USD 100	USD 1 000
EC H-EUR units	FR0013464146	Allocation of net income: accumulation Allocation of net realised capital gains: accumulation	EURO	All subscribers	€1 000	€200 000 000*
ED H-EUR units	FR0013464153	Allocation of net income: distribution Allocation of net realised capital gains: accumulation, distribution and/or retained	EURO	All subscribers	€1 000	€200 000 000*

* (i) Investors subscribing through distributors or financial intermediaries who are subject to MIFID II or an equivalent regulation outside of the European Union, as part of:
   - an independent advisory activity,
   - non-independent investment advice or portfolio management on behalf of third parties where they have concluded agreements with their clients stating that they may do not receive
   - retrocessions.

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

** as an exemption, the management company may subscribe for one unit.

Subscription for the EC H-EUR and ED H-EUR units will be closed after cut-off on February 28th, 2020. From that date, only subscriptions preceded by a redemption received from the same unitholder on the same day for the same number of units at the same NAV may be executed. The management company may decide to extend the subscription period.

Subscription for the Fund's other units will be closed after cut-off on July 31st, 2020. From that date, only subscriptions preceded by a redemption received from the same unitholder on the same day for the same number of units at the same NAV may be executed. The management company may decide to extend the subscription period.

The UCI's prospectus, latest annual and periodic reports, the composition of assets and Lazard Frères Gestion SAS's standards regarding the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to:

LAZARD FRÈRES GESTION SAS
25, rue de Courcelles, 75008 Paris, France

Designated contact:

Client Services – Monday to Friday
9 a.m. to 5 p.m. – Tel.: +33 (0)1 44 13 01 79
where further information may be obtained if necessary.

I-2 - Service providers

Management company:	**LAZARD FRÈRES GESTION SAS** 25, Rue de Courcelles - 75008 Paris, France Management company incorporated under French law authorised by the French financial markets regulator (*Autorité des Marchés Financiers* – AMF) on December 28th, 2004, no. GP 04 0000 68
Custodian:	**CACEIS BANK** Bank and investment services provider accredited by the CECEI on April 1st, 2005 Registered office: 1-3, place Valhubert, 75013 Paris, France The custodian's functions, as set out in the applicable regulations, include safeguarding of the assets, ensuring the legality of decisions taken by the management company and monitoring of cash flow related to the Funds. **Sub-delegation:** A description of the functions of delegated custody agents, a list of the custody and sub-custody agents of CACEIS Bank France, and information on conflicts of interest that may arise in relation to these agents are available on the CACEIS website: www.caceis.com (Regulatory watch – UCITS V – Sub Custodians List). Investors may obtain updated information on request. The custodian operates independently of the investment management company.
Accounting manager (by delegation):	**CACEIS FUND ADMINISTRATION** Registered office: 1-3, place Valhubert, 75013 Paris, France
Administration:	**LAZARD FRÈRES GESTION SAS** 25, Rue de Courcelles - 75008 Paris, France
Delegated agent for the centralisation of subscription and redemption orders:	**CACEIS BANK** 1-3, place Valhubert, 75013 Paris, France The management company has delegated the management of the Fund's liabilities to CACEIS Bank, which is therefore responsible for centralising and processing subscription and redemption orders for the Fund's shares. **LAZARD FRÈRES BANQUE,** on behalf of clients for whom it provides custody account-keeping services 121, bld Haussmann, 75008 Paris, France
Statutory auditor:	**ERNST & YOUNG ET AUTRES** Represented by Bernard Charrue 1-2, Place des Saisons Paris La Défense 1 92400 Courbevoie, France
Distributor:	**LAZARD FRÈRES GESTION**

II – OPERATION AND MANAGEMENT

II.1 – General features

Features of the units:	
- ISIN code:	PC H-EUR units: FR0013444908 PD H-EUR units: FR0013444916 RC H-EUR units: FR0013444924 RD H-EUR units: FR0013444932 RC H-USD units: FR0013468113 RD H-USD units: FR0013468121 EC H-EUR units: FR0013464146 ED H-EUR units: FR0013464153
- Rights attached to the Fund's units:	Each unitholder has an ownership right in the assets of the UCI in proportion to the number of units owned.
- Voting rights:	No voting rights are attached to the units since decisions are taken by the management company.
- Form of the units:	Bearer or administered registered. The Fund is listed with Euroclear France.
- Fractional or whole units:	Fractions of up to one thousandth of a unit
- Financial year end:	Last valuation day in June First financial year end: the last trading day in June 2020
- Taxation:	The tax treatment of the UCI's unrealised or realised capital gains or losses depends on the tax rules applicable to the particular circumstances of each subscriber and/or the Fund's investment jurisdiction.

II.2 – Other specifications

Classification:	**International bonds and other debt securities**
Investment objective of the EC H-EUR and ED H-EUR units:	Obtain an annualised performance net of management fees, hedging and estimated default calculated by the management company, equal to 2,40% at June 30th, 2025, by investing mainly in bonds whose issuers are companies and financial institutions. These investments are made without financial rating constraints, traded in euros and/or US dollars and/or pounds sterling, while taking environmental, social and governance criteria into account. There is a risk that the issuer's actual financial position may turn out to be weaker than predicted; and that such unfavourable conditions (e.g., higher number of defaults, lower recovery rate) will have a negative impact on the fund's performance. As a result, it may not be possible to achieve the investment objective. The Fund seeks to take advantage of attractive actuarial yields on corporate bonds. The Fund is invested only in bonds or securities of issuers the registered offices of which are established in OECD-member countries and/or in securities listed on a financial market of one of these countries.

Investment objective of the PC H-EUR and PD H-EUR units:	Obtain an annualised performance net of management fees, hedging and estimated default calculated by the management company, equal to 2,20% at June 30th, 2025, by investing mainly in bonds whose issuers are companies and financial institutions. These investments are made without financial rating constraints, traded in euros and/or US dollars and/or pounds sterling, while taking environmental, social and governance criteria into account. There is a risk that the issuer's actual financial position may turn out to be weaker than predicted; and that such unfavourable conditions (e.g., higher number of defaults, lower recovery rate) will have a negative impact on the fund's performance. As a result, it may not be possible to achieve the investment objective. The Fund seeks to take advantage of attractive actuarial yields on corporate bonds. The Fund is invested only in bonds or securities of issuers the registered offices of which are established in OECD-member countries and/or in securities listed on a financial market of one of these countries.
Investment objective of the RD H-EUR and RC H-EUR units	Obtain an annualised performance net of management fees, hedging and estimated default calculated by the management company, equal to 1,60% at June 30th, 2025, by investing mainly in bonds whose issuers are companies and financial institutions. These investments are made without financial rating constraints, traded in euros and/or US dollars and/or pounds sterling, while taking environmental, social and governance criteria into account. There is a risk that the issuer's actual financial position may turn out to be weaker than predicted; and that such unfavourable conditions (e.g., higher number of defaults, lower recovery rate) will have a negative impact on the fund's performance. As a result, it may not be possible to achieve the investment objective. The Fund seeks to take advantage of attractive actuarial yields on corporate bonds. The Fund is invested only in bonds or securities of issuers the registered offices of which are established in OECD-member countries and/or in securities listed on a financial market of one of these countries.
Investment objective of the RD H-USD and RC H-USD units	Obtain an annualised performance net of management fees, estimated default calculated by the management company, equal to 1,60% at June 30th, 2025, by investing mainly in bonds whose issuers are companies and financial institutions. The management objective regarding the dollar-hedged units is either increased or decreased by the effect on the performance of currency hedging due to the use of forward exchange rates. These investments are made without financial rating constraints, traded in euros and/or US dollars and/or pounds sterling, while taking environmental, social and governance criteria into account. There is a risk that the issuer's actual financial position may turn out to be weaker than predicted; and that such unfavourable conditions (e.g., higher number of defaults, lower recovery rate) will have a negative

	impact on the fund's performance. As a result, it may not be possible to achieve the investment objective. The Fund seeks to take advantage of attractive actuarial yields on corporate bonds. The Fund is invested only in bonds or securities of issuers the registered offices of which are established in OECD-member countries and/or in securities listed on a financial market of one of these countries.
Benchmark index:	The Fund will not be managed relative to a benchmark index, which could cause misunderstanding by the investor. Accordingly, no benchmark index has been selected.

1 – Strategies used

The Fund's investment strategy will mainly entail a carry strategy (purchase of securities to hold them in the portfolio until the first end-maturity date or the issuer or holder's early repayment option). Nevertheless, the manager has leeway to actively manage the portfolio by selling and buying securities. The fund's turnover rate will therefore be low.
Taking ESG criteria into account impacts the overall structure of the portfolio by investing a minimum of 90% of the assets in bonds with an initiated, convincing or advanced ESG profile according to Vigeo Eiris. This ESG approach excludes at least 20% of the Fund’s investment universe.

Vigeo Eiris must therefore cover at least 90% of the fund’s investments. This percentage corresponds to the weight of the securities in the Fund's net assets.

Vigeo Eiris sets the absolute issuer rating grid from 0 to 100 as follows:

- 60 to 100: advanced ESG profile
- 50 to 59: convincing ESG profile
- 30 to 49: ESG profile initiated
- 0 to 29: low ESG profile

Vigeo’s rating method is based on a model with 17 years of historical experience, 330 indicators grouped into **38 criteria** in 6 areas. These 38 criteria are weighted from 0 to 3 depending on their materiality (relevance) for the sector.

The ESG analysis is broken down into **6 areas**:

1 Human Resources: **7 criteria**
Promotion of social dialogue / Promotion of employee profit-sharing / Promotion of individual career choices and employability / Controlled management of restructuring / Quality of remuneration systems / Improvement of health and safety conditions / Respect and organisation of working hours

2 Environment: **11 criteria**
Definition of the environmental and eco-design strategy / Consideration of pollution risks (soil, accidents) / Offer of green products and services / Prevention of risks of damage to biodiversity / Control of impacts on water / Control of energy consumption and reduction of polluting emissions / Control of impacts on air / Control and improvement of waste management / Control of local pollution levels / Control of impacts related to distribution-transport / Control of impacts related to the use and disposal of the product or service.

3 Customer/supplier relationships: **9 criteria**
Product safety / Customer information / Contract guidance / Sustainable cooperation with suppliers / Integration of environmental factors in the supply chain / Integration of social factors in the supply chain / Prevention of corruption / Prevention of anti-competitive practices / Transparency and integrity of strategies and influencing practices

4 Human rights: **4 criteria**
Respect for fundamental rights and prevention of violations of these rights / Respect for the freedom to join trade unions and the right to collective bargaining / Non-discrimination and promotion of equal opportunities / Elimination of prohibited forms of work

5 Community involvement: **3 criteria**
Commitments in favour of the economic and social development of the area in which the company operates / Consideration of the societal impact of the products and services developed by the company / Contributions by the company to causes of general interest

6 Governance: **4 criteria**
Balance of powers and efficiency of the board of directors / Audit of control mechanisms / Shareholders' rights / Remuneration of executives

The issuer's **overall ESG score** is equal to the weighted average of the **Criteria scores**.

An issuer's ESG rating is based on an absolute rating scale of 0 to 100, with 100 being the highest rating.

Each issuer is analysed independently using the criteria mentioned above before reaching an overall ESG score.

Only issuers with an overall score that is strictly above 29 out of 100 are included in the investment universe.

The fund manager will be immediately informed by Vigeo whenever an issuer's rating is downgraded.
If the issuer rating falls below 30 out of 100, the stock is removed from the portfolio within three months.

The investment strategy consists, based on the ESG investment universe, in applying a quantitative filter to isolate bonds that fit the Fund's investment strategy through the appropriate liquidity levels (sufficient amount in circulation), first maturity date (end maturity or the issuer or holder's early repayment option) before June 30th, 2025, and issuance currency.

To build his portfolio, the portfolio manager conducts his own qualitative analysis of the bonds. He also refers to agency ratings but does not rely on them solely and mechanically.

As the bonds in the portfolio reach maturity and are redeemed, the manager may reinvest in:
- bonds whose maturities (end maturity or the issuer or holder's repayment options) fall on or before June 30th, 2025,
- debt securities (maturing no later than June 30th, 2025) or money market instruments comprising up to 100% of the Fund's assets.

Up to 100% of the Fund's net assets may be invested in unrated or investment grade and speculative (high yield) securities based on the ratings of Standard & Poor's and/or Moody's or an equivalent rating based on the management company's analysis.

The manager may also invest in additional Tier 1 contingent convertible bonds (CoCos) up to a maximum of 35 % of the net assets.

The securities will be denominated in euros, US dollars and pounds sterling and will be hedged against foreign exchange risk with a residual foreign exchange risk of a maximum of 5% of the Fund's net assets.

Taking ESG criteria into account completes the fundamental analysis. The sensitivity range will be between 0 and 5,5.

The Fund may invest up to the amount of the net assets in forward financial instruments traded on French or foreign regulated, organised or over-the-counter markets. The manager may take positions in futures contracts or currency forward contracts solely with a view to hedging the portfolio against foreign exchange risk.

A maximum of 10% of the net assets may be invested in all categories of UCI that meet the four criteria of Article R 214-13 of the French Monetary and Financial Code. This investment may solely concern UCIs that in turn invest less than 10% of their assets in other UCIs. All of these UCIs may be managed by the management company.

After June 30th, 2025, if market conditions permit and after approval by the AMF, the Fund's strategy will be renewed for a new carry period. If this is not the case, the Fund will be dissolved, merged with another UCI, or modified as approved by the French financial market authority.
The management company reserves the right, subject to approval by the French financial market authority, to liquidate the fund early if its projected performance over the remainder of the investment horizon closely matches that of the money market over the same period.

The Fund's subscription period will close after cut-off on **July 31st, 2020**. From that date, only subscriptions preceded by a redemption received from the same unitholder on the same day for the same number of units at the same NAV may be executed. The management company may decide to extend the subscription period.

2 – Assets (excluding embedded derivatives)

Debt securities and money market instruments:

- European and foreign plain vanilla bonds denominated in euros and/or in local currencies issued by companies and financial institutions, and similar securities.
- French or foreign negotiable debt securities (treasury bills, short-term negotiable securities).
- Additional Tier 1 contingent convertible bonds (CoCos) up to a maximum of 35% of the net assets.

UCIs:

French UCITS or AIFs of all categories that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (*Code Monétaire et Financier*), up to a maximum of 10% of the net assets.
Investment is solely in UCIs that in turn invest less than 10% of their assets in other UCIs.

These UCIs may be managed by the management company.

3 – Derivatives

- **Types of markets:**

☒ regulated
☒ organised
☒ OTC

- **The manager intends to seek exposure to:**

☐ equities
☐ interest rates
☒ foreign exchange
☐ credit
☐ other risks

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

☒ hedging
☐ exposure
☐ arbitrage
☐ other

- **Types of instruments used:**

☒ **futures:**
  ☐ equity and equity index
  ☐ interest rate
  ☒ currency

☒ **options:**
- ☐ equity and equity index
- ☐ interest rate
- ☒ currency

☒ **swaps:**
- ☐ equity swaps
- ☐ interest rate swaps
- ☒ currency swaps: systematic currency hedging

☒ **currency forwards**

☐ **credit derivatives**

- **Derivatives strategy to achieve the investment objective:**

☒ partial or general portfolio hedging
☐ creating synthetic exposure to assets and risks
☐ increasing exposure to the market without overweighting
☐ maximum permitted and sought
☐ other strategy

4 – Securities with embedded derivatives

The manager may invest up to 100% of the assets in the following securities with embedded derivatives: structured products, subordinated debt, convertible bonds and contingent convertible bonds (a maximum of 35% of the net assets for the latter).

5 – Deposits

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

6 – Cash borrowings

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

7 – Temporary purchases and sales of securities

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

9 – Risk profile

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:** The Fund benefits from no capital guarantee or protection, and therefore, there is a possibility that you may not get back the full amount of your initial investment.

- **Risk associated with managing and allocating discretionary assets:**
The Fund'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 a risk that the manager may not select the best-performing securities and UCIs or choose the optimal asset allocation between markets.

- **Credit risk:**
Credit risk is the risk that the issuer of a bond may default. which could decrease the Fund's net asset value. Even in cases where the issuer has not defaulted, changes in credit spreads could give rise to a negative performance.
The decrease in NAV may be even greater if the Fund is invested in non-rated or speculative/high-yield debt.

- **Interest rate risk:**
There is a risk of a fall in the value of bonds and other fixed-income securities and instruments, and hence in the portfolio, resulting from a change in interest rates. Because of its sensitivity range, the value of this component of the portfolio may decrease, either in the case of a rise in interest rates if the portfolio's sensitivity is positive, or in the case of a fall in interest rates if the portfolio's sensitivity is negative.

- **Risk associated with investment in the futures markets:**
The Fund may invest up to 100% of its assets in forward financial instruments. Such exposure to markets, assets or indices through forward financial instruments may lead to falls in the NAV that are significantly more pronounced or faster than the change in the underlying assets.

- **Counterparty risk:**
This is the risk associated with the Fund's use of OTC forward financial instruments.
These transactions, entered into with one or more eligible counterparties, potentially expose the Fund to a risk of failure of any such counterparty, which may lead to default in payment and cause the Fund's NAV to fall.

- **Foreign exchange risk:**
The Fund may invest in marketable securities denominated in currencies other than the reference currency. The manager will systematically hedge foreign exchange risk. Nevertheless, a residual foreign exchange risk may exist due to imperfect hedging. The Fund's NAV could decline as a result.

- **Risks linked to contingent or subordinated securities:**
The Fund may be exposed to contingent convertibles or subordinated convertible notes. Subordinated debt and contingent convertible bonds are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. At a certain solvency threshold, referred to as the "trigger" threshold, the issuer may or must suspend the payment of coupons and/or reduce the nominal value of the security or convert such bonds into shares. Notwithstanding the thresholds specified in the issuing prospectuses, the supervisory authorities may apply these rules preventively if the circumstances require, based on a subjective threshold known as the "point of non-viability". These securities expose holders to either a total or partial loss of their investment following their conversion into shares at a predetermined price or because of the application of a discount provided for contractually in the issuing prospectus or applied arbitrarily by a supervisory authority. Holders of these securities are also exposed to potentially large price fluctuations in the event that the issuer has insufficient equity or experiences difficulties.

10 – Guarantee or protection

None.

11 – Eligible subscribers and typical investor profile

This Fund is aimed at all subscribers seeking exposure to the bond markets over the recommended investment period who are prepared to accept the risk arising from this exposure.

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

Information on US investors:

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

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

FATCA:

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

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

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

The amount that it is reasonable to invest in this 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

Recommended investment period: until the anticipated term of the Fund on June 30th, 2025.

12 – Appropriation of distributable income

Distributable income consists of:

1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account.
   Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees and all income generated by the securities that make up the Fund's portfolio, plus income generated by temporary cash holdings, minus management fees and borrowing costs.
2) Realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

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

For the PC H-EUR, RC H-EUR, RC H-USD and EC H-EUR units, distributable income shall be fully accumulated.

For the PD H-EUR, RD H-EUR, RD H-USD and ED H-EUR units, the allocation of distributable income shall be decided each year by the management company. Net income may be distributed and/or carried forward and net realised capital gains shall be accumulated and/or distributed and/or carried forward.

13 – Frequency of distribution

For the PD H-EUR, RD H-EUR, RD H-USD and ED H-EUR units, dividends may be paid out to holders annually, as appropriate, upon the decision of the management company. Interim dividends may be paid on an exceptional basis.

14 – Features of the units (base currency, division of units, etc.)

The units are denominated in euros, with the exception of the RC H-USD and RD H-USD units, which are denominated in US Dollar
Division of units: All units are subdivided into thousandths of a unit.

15 - Terms and conditions of subscription and redemption

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

Calculation of net asset value (NAV):
Date and frequency of NAV calculation:
- Valuation day (D) = any working day that is not a public holiday in France and on which the Paris stock exchange is open.
- NAV calculation and publication date = business day following the valuation day, i.e. (D+1).

Where/how NAV is published or made available:
The net asset value is notified daily online at:
www.lazardfreresgestion.fr
and displayed in the management company's offices.

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

CACEIS BANK
Bank and investment services provider accredited by the CECEI on April 1st, 2005
Registered office: 1-3, place Valhubert, 75013 Paris, France
Shareholders are reminded that orders transmitted to distributors other than the institution referred to above must take into consideration the fact that the cut-off time for the processing of orders applies to the said distributors vis-à-vis CACEIS Bank.
Consequently, such distributors may apply their own cut-off time, which may be earlier than the cut-off time indicated above, in order to take into account the time required to transmit orders to CACEIS Bank.

LAZARD FRÈRES BANQUE, on behalf of clients for whom it provides custody account-keeping services, 121, bld Haussmann, 75008 Paris, France

Processing, execution and settlement of orders:
Subscription and redemption orders are pooled and executed as set out in the table below:

Valuation day (D)	Next business day following the valuation day (D+1)	Two business days following the valuation day (D+2)

Valuation of the Fund Centralisation of subscription and redemption orders before 12 a.m.	Calculation and communication of the NAV	Settlement of subscription and redemption orders

Subscription for the EC H-EUR and ED H-EUR units will be closed after cut-off on February 28th, 2020. From that date, only subscriptions preceded by a redemption received from the same unitholder on the same day for the same number of units at the same NAV may be executed. The management company may decide to extend the subscription period.

Subscription for the Fund's other units will be closed after cut-off on July 31st, 2020. From that date, only subscriptions preceded by a redemption received from the same unitholder on the same day for the same number of units at the same NAV may be executed. The management company may decide to extend the subscription period.

Subscription settlement date: Two business days following the valuation day (D+2).
Redemption settlement date: two business days following the valuation day (D+2 business days)

Minimum initial subscription:
For EC H-EUR and ED H-EUR units, initial subscriptions may not be for less than €2 million.
For PC H-EUR, PD H-EUR, RC H-EUR and RD H-EUR units, initial subscriptions may not be for less than €1 000.
For RC H-USD and RD H-USD units, initial subscriptions may not be for less than USD 1000.

16 – Fees and expenses

- **Subscription and redemption fees:**

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

Charges payable by the investor during subscription and redemption	***Basis***	***Rate***
Subscription fees not retained by the Fund	NAV x number of units	Maximum 1% incl. taxes
Subscription fees retained by the Fund	n/a	None
Redemption fees not retained by the Fund	n/a	None
Redemption fees retained by the Fund	n/a	None

Expenses charged to the Fund	***Basis***	***Rate***
Financial management fees	Net assets	**EC H-EUR units:** 0,40% maximum incl. tax

		ED H-EUR units: 0,40% maximum incl. tax **PC H-EUR units**: 0,60% maximum incl. taxes **PD H-EUR units**: 0,60% maximum incl. taxes **RC H-EUR units**: 1,20% maximum incl. tax **RD H-EUR units**: 1,20% maximum incl. tax **RC H-USD units**: 1,25% maximum incl. tax **RD H-USD units**: 1,25% maximum incl. tax
Administrative fees external to the management company	Net assets	0,035% maximum incl. tax
Maximum indirect charges	Net assets	Not material given the proportion of the Fund's assets potentially invested in UCI.
Transaction fees (incl. taxes): (0 to 100% received by the management company and 0 to 100% received by the custodian)	Maximum fee on each transaction	**Equities, convertible bonds and similar instruments and foreign exchange**: None **Futures**: None
Performance fees	n/a	None

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

Repurchase agreements are executed at market prices.

With the exception of brokerage, accounting and custody fees, all of the charges referred to above are levied as part of the joint venture arrangement between LAZARD FRÈRES BANQUE and LAZARD FRÈRES GESTION SAS which since 1995 has enabled them to pool their financial control, administration, and execution resources.

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

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

17 – Outline of the intermediary selection procedure

The intermediaries used in fixed-income management are selected using a range of evaluation criteria:
- Quality of order execution and negotiated prices;
- Quality of operational service in processing orders;
- Coverage of information when monitoring markets;
- Quality of macroeconomic and financial research.

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

III - SALES AND MARKETING INFORMATION

Publication of information about the Fund:

LAZARD FRÈRES GESTION SAS
25, rue de Courcelles, 75008 Paris, France
Customer Relations
☎ +33 (0)1 44 13 01 79

Availability of commercial documentation on the Fund:
The commercial documentation related to the Fund shall be made available to the unitholders at the registered office of Lazard Frères Gestion SAS, 25 rue de Courcelles, 75008 Paris, France.

Information regarding environmental, social and corporate governance (ESG) issues is available on the management company's website (www.lazardfreresgestion.fr) and will be included in the Fund's annual report.

The management company may send, directly or indirectly, information on the composition of the Fund's assets to the Fund's unitholders for purposes related solely to unitholders' regulatory obligations. This information will be sent, where applicable, within a period not less than 48 hours after publication of the NAV.

Information in the event of a change in the operation of the Fund:
Unitholders shall be informed of changes to the operation of the Fund either individually, in the press or by any other means in accordance with the regulations in force. Where applicable, this information may be provided through Euroclear France and financial intermediaries affiliated with it.

Information about the use of investment decision-making support and order execution services (SADIE) can be found on the management company's website (www.lazardfreresgestion.fr).

IV – INVESTMENT RULES

The UCI's investment rules are defined by the regulatory section of the French Monetary and Financial Code.

V – AGGREGATE RISK

The UCI's aggregate risk is calculated using the commitment method.

VI – ASSET VALUATION AND ACCOUNTING RULES

1 – Asset valuation rules

- **Financial instruments and securities traded on a regulated market are valued at their market price. The Fund will be valued at the ask price during the subscription period and at the bid price once it is closed**.

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

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

  - **Fixed-income securities**
    Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)® derived from averages of contributed prices, or on those of direct contributors.
    There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

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

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

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

    - **Negotiable debt securities:**

      - **Negotiable debt securities with a residual maturity of more than three months:**
        Negotiable debt securities traded in large volumes are valued at market price. In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic features.

Benchmark rate	
Negotiable debt securities in euros	**Negotiable debt securities in other currencies**
Euribor, OIS swaps and French treasury bills - 3 – 6 – 9 – 12 months BTAN medium-term treasury notes - 18 months, 2 – 3 – 4 – 5 years	Main official rates of the countries concerned.

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

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

- **Temporary purchases and sales of securities**
  - Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (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 Fund’s securities 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 Fund’s currency) multiplied by the number of contracts multiplied by the face value.
The commitment value for options is equal to the price of the underlying security (in the Fund’s currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.
The commitment value for swaps is equal to the face value of the contract (in the Fund’s currency).

2 – Accounting policies

- **Income from fixed-income securities**

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

- **Management fees**

  - Management fees are calculated on each valuation day.

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

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

  - This amount is then recorded in the Fund’s income statement.

  - The management company pays the Fund's operating fees, including for:
    . financial management;
    . administration and accounting;
    . custody services;
    . other operating fees:
        . statutory auditors’ fees;
        . legal notices (BALO, Petites Affiches, etc.) if applicable.

    These fees do not include transaction charges.

- **Transaction charges**

  Transactions are recorded excluding charges.

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

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

  - If the amount is significant, a provision is recognised in account 617.

  The final amount is recognised upon settlement of invoices after reversal of any provisions.

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

In order to protect the Fund's long-term unitholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Fund's outstandings, which may generate costs for unitholders entering and leaving the Fund that would otherwise have been allocated across all unitholders in the Fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of Fund units exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the net assets in the Fund, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each unit category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each unit category in the Fund.
The cost parameters and trigger level shall be determined by the management company and shall be reviewed periodically, and at least every six months. These costs shall be estimated by the management company based on transaction fees, bid/offer spreads and tax charges applicable to the Fund.
Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the Fund, it is not possible to accurately predict a given time in the future at which it will be applied. Consequently, neither is it possible to predict the precise frequency at which the management company will have to make such adjustments, which shall not exceed 2% of the NAV. Investors should be aware that the volatility of the Fund's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

FUND REGULATIONS

LAZARD SUSTAINABLE CREDIT 2025

TITLE I

ASSETS AND UNITS

Article 1 - CO-OWNERSHIP UNITS

Co-ownership rights are expressed in units, where each unit corresponds to any single fraction of the Fund's assets. Each unitholder has an ownership right in the assets of the Fund in proportion to the number of units owned.

The Fund's term is 99 years, commencing from ....., except in the event that the Fund is dissolved before the end of the term or extended pursuant to these regulations.

Unit classes:

The features of the different unit classes and their eligibility requirements are set out in the Fund’s prospectus.

The different unit classes may:
- apply different dividend policies (distribution or accumulation);
- be denominated in different currencies;
- be subject to different management fees;
- be subject to different subscription and redemption fees;
- have a different par value;
- be systematically hedged, in full or in part, against risk as set out in the prospectus. This hedging is achieved through financial instruments that reduce to a minimum the impact of hedging transactions on the UCITS’ other unit classes;
- be reserved to one or more distribution networks.

Possibility of combining or splitting units.

The units may be sub-divided, upon the decision of the management company, into hundredths or thousandths of a unit, referred to as fractional units.

Article 2 - MINIMUM AMOUNT OF ASSETS

Units may not be redeemed if the assets are less than €300 000 (three hundred thousand euros). When the assets remain under this level for thirty days, the management company shall take all necessary measures to dissolve the UCITS concerned or to undertake one of the operations mentioned in Article 411-16 of the General Regulation of the French financial markets regulator (*Autorité des Marchés Financiers* – AMF) (UCITS transfer).

Article 3 - ISSUE AND REDEMPTION OF UNITS

Units may be issued at any time upon request of unitholders on the basis of the net asset value plus subscription fees, if any.

Redemptions and subscriptions shall be made under the conditions and in accordance with the procedures set out in the prospectus.

Units of open-end investment funds may be listed for trading, in accordance with applicable regulations.

Subscriptions must be fully paid-up as of the date of the calculation of the net asset value. They may be undertaken in cash and/or by contribution of financial instruments. The management company is entitled to refuse the instruments proposed and, to that end, has seven days in which to give its decision. In the event that the instruments are accepted, they are valued according to the rules set out in Article 4, and subscription is undertaken using the first net asset value following acceptance of the instruments in question.
Redemptions are undertaken entirely in cash, unless the Fund is dissolved and unitholders have agreed to be paid in securities. They are paid by the custodian within at most five days of the unit's valuation day.

Under exceptional circumstances, however, where reimbursement requires the prior disposal of assets held in the fund, this period may be extended up to a maximum of 30 days.

With the exception of inherited or gifted units, the sale or transfer of units between unitholders or between unitholders and third parties is deemed to be a redemption followed by a subscription. If the beneficiary of the sale or transfer is a third party, the beneficiary must add the amount necessary, if any, to increase the total to the minimum subscription amount indicated in the Prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code (*Code monétaire et financier*), redemption by the Fund of its units, and the issue of new units, may be temporarily suspended by the management company in exceptional circumstances and if required in the interests of unitholders.

No units may be redeemed if the net assets of the Fund are less than the regulatory amount.

Article 4 - CALCULATION OF THE NET ASSET VALUE

The net asset value of units is calculated according to the valuation rules set out in the prospectus.

Contributions in kind may consist only of securities, stocks or contracts that are eligible to form the assets of UCITS; they are valued according to the valuation rules used to calculate the net asset value.

TITLE II

FUND OPERATION

Article 5 - MANAGEMENT COMPANY

The management company is responsible for managing the Fund in accordance with the orientation stated for the Fund.

In all circumstances, the management company shall act in the sole interest of the unitholders and is solely authorised to exercise the voting rights attached to the securities held by the Fund.

Article 5a - OPERATING RULES

The instruments and deposits eligible for inclusion in the Fund as well as the investment rules are shown in the prospectus.

Article 5b – ADMISSION FOR TRADING ON A REGULATED MARKET AND/OR MULTILATERAL TRADING FACILITY

The units may be admitted to trading on a regulated market and/or a multilateral trading facility, in accordance with applicable regulations. If the Fund whose units are admitted for trading on a regulated market has an investment objective based on an index, it must have set up a system to ensure that the price of its units does not deviate significantly from its net asset value.

Article 6 - CUSTODIAN

The custodian performs the tasks for which it is responsible under the legal and regulatory provisions in force as well as those entrusted to it contractually by the management company. In particular, the custodian must ensure that the decisions of the management company are lawful.

Where necessary, it shall take any measures it deems appropriate.

In the event of a dispute with the management company, it shall inform the French financial markets regulator (Autorité des Marchés Financiers – AMF).

Article 7 - STATUTORY AUDITOR

A statutory auditor is appointed by the management company’s governance body for a term of six financial years, following AMF approval.

The statutory auditor shall certify that the financial statements give a true and fair view of the company.

The statutory auditor’s term may be renewed.

The statutory auditor has a duty to report promptly to the AMF any fact or decision concerning the Fund of which they have become aware in the course of their duties and which is liable to:

1° Constitute a breach of the laws or regulations that apply to that fund and that is likely to have significant effects on its financial situation, profits or assets;
2° Affect the conditions or the continuity of its operations;
3° lead to the expression of reservations or refusal to certify the accounts.

The statutory auditor shall oversee the valuation of assets and the calculation of exchange ratios used in the event of a conversion, merger or split.

The statutory auditor shall assess any contribution in kind under their own responsibility.

They shall verify the accuracy of the composition of the assets and other information prior to publication.

The statutory auditor's fees shall be set by mutual agreement between the statutory auditor and the management company’s board of directors or executive board on the basis of a work schedule setting out the procedures deemed necessary.

The statutory auditor shall certify the positions used as the basis for the distribution of interim dividends.

Their fees are included in the management fees.

Article 8 - FINANCIAL STATEMENTS AND MANAGEMENT REPORT

At the close of each financial year, the management company shall prepare the financial statements and a report on the management of the Fund during the year just ended.

The management company shall draw up an inventory of the Fund's assets at least every six months and under the control of the custodian.

The management company shall make these documents available to unitholders within four months of the end of the financial year and shall inform them of the amount of income to which they are entitled. These documents shall be either sent by post, at the request of unitholders, or made available to them at the management company's premises.

TITLE III

Article 9 – 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 Fund's portfolio, plus income generated by temporary cash holdings, minus management fees and borrowing costs.
2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

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

Details of the relevant process are provided in the prospectus under the section entitled "Allocation of distributable income".

TITLE IV

MERGER - SPLIT - WINDING-UP - LIQUIDATION

Article 10 - MERGER - SPLIT

The management company may either contribute the assets of the Fund, in whole or in part, to another UCITS managed by it, or split the Fund into two or more open-end funds.

These merger or split transactions may only be undertaken after the unitholders have been informed. They shall give rise to a new certificate specifying the number of units held by each unitholder.

Article 11 - WINDING-UP - EXTENSION

If the assets of the Fund remain less than the amount set forth in Article 2 above for 30 days, the management company shall inform the AMF thereof and either merge the Fund with another open-end investment fund (FCP) or dissolve the Fund.

The management company may dissolve the Fund prior to its termination date; in this case, it shall inform unitholders of its decision and from then on subscriptions and redemptions shall no longer be accepted.

The management company shall also dissolve the Fund if it receives redemption applications for all units, if the custodian ceases to discharge its responsibilities and no other custodian is designated or if at the end of the Fund's duration, its termination date has not been extended.

The management company shall inform the AMF by letter of the chosen date and dissolution procedure. It shall then send the statutory auditors' report to the AMF.

A Fund's extension may be decided by the management company with the custodian's agreement. Its decision must be taken at least three months before the Fund's planned duration and communicated to the unitholders and the AMF.

Article 12 - LIQUIDATION

In the event that the Fund is dissolved, the management company shall be responsible for liquidation transactions; otherwise, the liquidator shall be appointed by the court at the request of any interested party. In this regard, they shall be granted the widest possible powers to sell assets, pay creditors, if any, and divide the remaining balance among unitholders in cash or in securities.

The statutory auditor and custodian shall continue to perform their duties until the end of the liquidation transactions.

TITLE V

SETTLEMENT OF DISPUTES

Article 13 - JURISDICTION - ADDRESS FOR SERVICE

All disputes relative to the Fund that may arise during its lifetime or at the time of liquidation, be they disputes between unitholders, or between unitholders and the management company or the custodian shall be submitted to the courts of competent jurisdiction.

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