

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

## **LAZARD FUNDS**

SICAV with 2 sub-funds

## **ANNUAL REPORT**

at September 30th, 2020

Management company: Lazard Frères Gestion SAS

Custodian: Caceis Bank

Statutory auditor: Deloitte & Associés

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

This report presents the consolidated financial statements of LAZARD FUNDS for the year ended September 30th, 2020, as well as the activity of the sub-funds.

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## 1. CERTIFICATION BY THE STATUTORY AUDITOR

## LAZARD FUNDS

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

121, Boulevard Haussmann  
75009 Paris, France

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

Financial year ended September 30th, 2020

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To the Shareholders' Meeting,

### Opinion

In accordance with the terms of our appointment by your board of directors, we conducted our audit of the accompanying annual financial statements of the Undertaking for Collective Investment LAZARD FUNDS, incorporated as a French open-end investment company (SICAV), for the financial year ended September 30th, 2020. These financial statements have been prepared by the SICAV on the basis of the information available in the evolving context of the COVID-19 crisis.

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 applicable to us on the period from October 1st, 2019 to the date of issue of our report, and in particular we have not provided any services prohibited by the French code of ethics for statutory auditors.

## **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 presentation of all 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 express no opinion on the elements of the annual financial statements taken in isolation.

## **Specific verifications**

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

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

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

## **Information on corporate governance**

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

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

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

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

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

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

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

As stipulated in Article L. 823-10-1 of the French Commercial Code (Code de commerce), 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 Fund's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the accounts;

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

Paris La Défense, December 30th, 2020

The Statutory Auditor  
Deloitte & Associés

[signature]  
Olivier Galienne



# **LAZARD FUNDS**

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

121, Boulevard Haussmann  
75008 Paris, France

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## **Statutory Auditor's special report on related-party agreements**

Shareholders' meeting to approve the financial statements for the financial year ended September 30th, 2020

## LAZARD FUNDS

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

121, Boulevard Haussmann  
75008 Paris, France

## Statutory Auditor's special report on related-party agreements

Shareholders' meeting to approve the financial statements for the financial year ended September 30th, 2020

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To the Shareholders' Meeting,

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

We are required to report to you, based on the information we have been provided, on the 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 for the approval of the shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.



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

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

Paris La Défense, December 30th, 2020

The statutory auditor

Deloitte & Associés

Olivier GALIËNNE

## 2. ANNUAL FINANCIAL STATEMENTS

### • BALANCE SHEET in

euros

### ASSETS

	30/09/2020
<b>Net non-current assets</b>	
<b>Deposits</b>	
<b>Financial instruments</b>	<b>129 294 171,65</b>
<b>Equities and similar securities</b>	
Traded on a regulated or equivalent market	
Not traded on a regulated or equivalent market	
<b>Bonds and similar securities</b>	<b>121 932 474,40</b>
Traded on a regulated or equivalent market	121 932 474,40
Not traded on a regulated or equivalent market	
<b>Debt securities</b>	
Traded on a regulated or equivalent market	
Negotiable debt securities	
Other debt securities	
Not traded on a regulated or equivalent market	
<b>Undertakings for collective investment</b>	<b>7 248 487,25</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	7 248 487,25
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	
<b>Temporary securities transactions</b>	
Receivables on securities purchased under repurchase agreements	
Receivables on loaned securities	
Borrowed securities	
Securities sold under repurchase agreements	
Other temporary transactions	
<b>Forward financial instruments</b>	<b>113 210,00</b>
Transactions on a regulated or equivalent market	113 210,00
Other transactions	
<b>Other financial instruments</b>	
<b>Receivables</b>	<b>1 713 602,18</b>
<b>Currency forward exchange transactions</b>	
<b>Other</b>	<b>1 713 602,18</b>
<b>Financial accounts</b>	<b>11 886 230,90</b>
<b>Cash and cash equivalents</b>	<b>11 886 230,90</b>
<b>Total assets</b>	<b>142 894 004,73</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	30/09/2020
<b>Shareholders' equity</b>	
<b>Share capital</b>	<b>121 757 895,87</b>
<b>Undistributed net capital gains and losses recognised in previous years (a)</b>	
<b>Retained earnings (a)</b>	<b>205,37</b>
<b>Net capital gains and losses for the year (a, b)</b>	<b>8 824 966,48</b>
<b>Net income for the year (a, b)</b>	<b>3 118 005,12</b>
<b>Total shareholders' equity (= amount representing net assets)</b>	<b>133 701 072,84</b>
<b>Financial instruments</b>	<b>113 210,00</b>
<b>Sales of financial instruments</b>	
<b>Temporary securities transactions</b>	
Liabilities on securities sold under repurchase agreements	
Liabilities on borrowed securities	
Other temporary transactions	
<b>Forward financial instruments</b>	<b>113 210,00</b>
Transactions on a regulated or equivalent market	113 210,00
Other transactions	
<b>Liabilities</b>	<b>9 079 721,89</b>
<b>Currency forward exchange transactions</b>	
<b>Other</b>	<b>9 079 721,89</b>
<b>Financial accounts</b>	
<b>Bank overdrafts</b>	
<b>Borrowings</b>	
<b>Total liabilities and shareholders' equity</b>	<b>142 894 004,73</b>

(a) Including accrued income

(b) Less any interim dividends paid during the financial year

• OFF-BALANCE SHEET ITEMS in *euros*

	30/09/2020
<b>Hedging transactions</b>	
<b>Commitments on regulated or similar markets</b>	
<b>Futures contracts</b>	
<b>Commitments on OTC markets</b>	
<b>Futures contracts</b>	
<b>Other commitments</b>	
<b>Credit Default Swap</b>	
<b>Other transactions</b>	
<b>Commitments on regulated or similar markets</b>	
<b>Futures contracts</b>	
XEUR FGBL BUN 1220	104 712 000,00
<b>Commitments on OTC markets</b>	
<b>Futures contracts</b>	
<b>Other commitments</b>	
<b>CFD</b>	

• **INCOME STATEMENT in euros**

	30/09/2020
<b>Income from financial transactions</b>	
Income from deposits and financial accounts	0,19
Income from equities and similar securities	
Income from bonds and similar securities	4 239 653,40
Income from debt securities	
Income from temporary purchases and sales of securities	169,76
Income from forward financial instruments	
Other financial income	
<b>Total (1)</b>	<b>4 239 823,35</b>
<b>Expenses related to financial transactions</b>	
Expenses related to temporary purchases and sales of securities	2 845,51
Expenses related to forward financial instruments	
Expenses related to financial liabilities	9 742,03
Other financial charges	
<b>Total (2)</b>	<b>12 587,54</b>
<b>Income from financial transactions (1 - 2)</b>	<b>4 227 235,81</b>
Other income (3)	
Management fees and depreciation and amortisation (4)	1 329 475,61
<b>Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>2 897 760,20</b>
Income adjustment for the financial year (5)	220 244,92
Interim dividends paid on net income for the financial year (7)	
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>3 118 005,12</b>

## ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with French accounting regulation ANC 2017-05 which amends ANC regulation 2014-01 on the chart of accounts for open-end collective investment undertakings.

The general accounting principles apply:

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The LAZARD FUNDS SICAV is made up of two sub-funds:

- LAZARD CREDIT OPPORTUNITIES
- LAZARD EURO SHORT DURATION HIGH YIELD.

The aggregation of the annual financial statements is presented in euros.

In the absence of inter-sub-fund holdings, no restatement has been made for assets and liabilities.

- Accounting rules and principles (\*)
- Additional information (\*)

(\*) Please refer to the information on each sub-fund.

# **LAZARD CREDIT OPPORTUNITIES**

## Key Investor Information

This document provides essential information for investors in this sub-fund. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this Fund. sub-fund and what risks are associated with it. You are advised to read it so you can make an informed decision about whether to invest.

# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0010230490 - RC EUR shares

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities

**Investment objective:** The investment objective is to outperform compounded €STR +1.25%, expressed in euros, net of charges, over a recommended investment period of three years.

**Investment policy:** The strategy used to achieve this objective involves dynamic management of interest rate risk, credit risk and currency risk by investing primarily in risky debt issued by governments, companies, and financial institutions and structures.

The Fund's modified duration will be managed dynamically within a range of -5 to +10.

The Fund is invested as follows:

- up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any other currency, without any restriction in terms of credit quality;
- up to a maximum of 60% of the net assets in bonds and negotiable debt securities denominated in currencies other than the euro and the US dollar. up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code (Code monétaire et financier) and classified as money market, short-term money market or bond funds. These UCIs may be managed by the management company;
- up to a maximum of 5% of the net assets in ordinary shares deriving from debt restructuring. The fund manager will do his best to sell the shares received as soon as possible in the interest of the shareholders.
- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in preference shares.

The Sub-Fund may use interest rate and currency futures, interest rate and currency options, interest rate and currency swaps, currency forward transactions and credit derivatives traded on regulated, organised and/or OTC markets for hedging and/or exposure purposes, thereby taking the Sub-Fund's exposure beyond 100% of net assets.

The portfolio is exposed to interest rate, foreign exchange, credit and volatility risk, to a fixed threshold calculated based on the absolute VaR. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

### Allocation of distributable income:

Allocation of net income: Accumulation

Allocation of net realised capital gains: Accumulation

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Second business day following valuation day (D+2)
Daily receipt and centralisation of redemption orders before 12.00 noon (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

## Risk and reward profile

For a lower risk,  
A potentially lower return

With higher risk,  
A potentially higher return



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

### Other sizeable risks not taken into account in the indicator:

- **Credit risk:** Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- **Derivatives risk:** The use of such financial instruments may increase the risk of loss. The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

## Key Investor Information

This document provides essential information for investors in this sub-fund. It is not marketing material. The information it contains is required by law to help you understand what an investment in this sub-fund and what risks are associated with it. You are advised to read it so you can make an informed decision about whether to invest.

# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0010235499 - TC EUR shares

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities

**Investment objective:** The investment objective is to outperform compounded €STR +1,50%, expressed in euros, net of charges, over a recommended investment period of three years.

**Investment policy:** The strategy used to achieve this objective involves dynamic management of interest rate risk, credit risk and currency risk by investing primarily in risky debt issued by governments, companies, and financial institutions and structures.

The Fund's modified duration will be managed dynamically within a range of -5 to +10.

The Fund is invested as follows:

- up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any other currency, without any restriction in terms of credit quality;
- up to a maximum of 60% of the net assets in bonds and negotiable debt securities denominated in currencies other than the euro and the US dollar. up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code (Code monétaire et financier) and classified as money market, short-term money market or bond funds. These UCIs may be managed by the management company;
- up to a maximum of 5% of the net assets in ordinary shares deriving from debt restructuring. The fund manager will do his best to sell the shares received as soon as possible in the interest of the shareholders.
- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in preference shares.

The Sub-Fund may use interest rate and currency futures, interest rate and currency options, interest rate and currency swaps, currency forward transactions and credit derivatives traded on regulated, organised and/or OTC markets for hedging and/or exposure purposes, thereby taking the Sub-Fund's exposure beyond 100% of net assets.

The portfolio is exposed to interest rate, foreign exchange, credit and volatility risk, to a fixed threshold calculated based on the absolute VaR. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

### Allocation of distributable income:

Allocation of net income: Accumulation

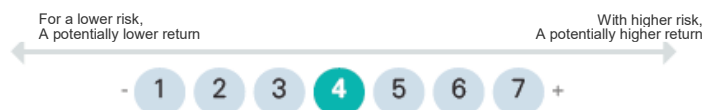
Allocation of net realised capital gains: Accumulation

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt and centralisation of redemption orders before 12.00 noon (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

## Risk and reward profile



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

### Other sizeable risks not taken into account in the indicator:

- **Credit risk:** Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- **Derivatives risk:** The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

## Key Investor Information

This document provides essential information for investors in this sub-fund. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this Fund. sub-fund and what risks are associated with it. You are advised to read it so you can make an informed decision about whether to invest.

# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0010235507 - PC EUR shares

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities

**Investment objective:** The investment objective is to outperform compounded €STR +1,75%, expressed in euros, net of charges, over a recommended investment period of three years.

**Investment policy:** The strategy used to achieve this objective involves dynamic management of interest rate risk, credit risk and currency risk by investing primarily in risky debt issued by governments, companies, and financial institutions and structures.

The Fund's modified duration will be managed dynamically within a range of -5 to +10.

The Fund is invested as follows:

- up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any other currency, without any restriction in terms of credit quality;
- up to a maximum of 60% of the net assets in bonds and negotiable debt securities denominated in currencies other than the euro and the US dollar. up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code (Code monétaire et financier) and classified as money market, short-term money market or bond funds. These UCIs may be managed by the management company;
- up to a maximum of 5% of the net assets in ordinary shares deriving from debt restructuring. The fund manager will do his best to sell the shares received as soon as possible in the interest of the shareholders.
- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in preference shares.

The Sub-Fund may use interest rate and currency futures, interest rate and currency options, interest rate and currency swaps, currency forward transactions and credit derivatives traded on regulated, organised and/or OTC markets for hedging and/or exposure purposes, thereby taking the Sub-Fund's exposure beyond 100% of net assets.

The portfolio is exposed to interest rate, foreign exchange, credit and volatility risk, to a fixed threshold calculated based on the absolute VaR. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

### Allocation of distributable income:

Allocation of net income: Accumulation

Allocation of net realised capital gains: Accumulation

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt and centralisation of redemption orders before 12.00 noon (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemptions

## Risk and reward profile



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

### Other sizeable risks not taken into account in the indicator:

- **Credit risk:** Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- **Derivatives risk:** The use of such financial instruments may increase the risk of loss. The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

## Key Investor Information

This document provides essential information for investors in this sub-fund. It is not marketing material. The information it contains is required by law to help you understand what an investment in this sub-fund and what risks are associated with it. You are advised to read it so you can make an informed decision about whether to invest.

# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0012156347 - PD EUR shares

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities

**Investment objective:** The investment objective is to outperform compounded €STR +1,75%, expressed in euros, net of charges, over a recommended investment period of three years.

**Investment policy:** The strategy used to achieve this objective involves dynamic management of interest rate risk, credit risk and currency risk by investing primarily in risky debt issued by governments, companies, and financial institutions and structures.

The Fund's modified duration will be managed dynamically within a range of -5 to +10.

The Fund is invested as follows:

- up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any other currency, without any restriction in terms of credit quality;
- up to a maximum of 60% of the net assets in bonds and negotiable debt securities denominated in currencies other than the euro and the US dollar. up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code (Code monétaire et financier) and classified as money market, short-term money market or bond funds. These UCIs may be managed by the management company;
- up to a maximum of 5% of the net assets in ordinary shares deriving from debt restructuring. The fund manager will do his best to sell the shares received as soon as possible in the interest of the shareholders.
- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in preference shares.

The Sub-Fund may use interest rate and currency futures, interest rate and currency options, interest rate and currency swaps, currency forward transactions and credit derivatives traded on regulated, organised and/or OTC markets for hedging and/or exposure purposes, thereby taking the Sub-Fund's exposure beyond 100% of net assets.

The portfolio is exposed to interest rate, foreign exchange, credit and volatility risk, to a fixed threshold calculated based on the absolute VaR. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

### Allocation of distributable income:

Allocation of net income: Distribution

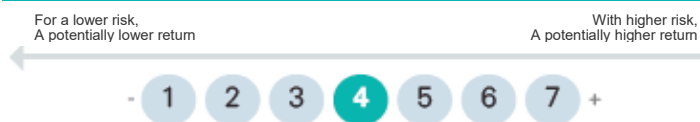
Allocation of net realised capital gains: Accumulation and/or Distribution and/or Retention

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt and centralisation of redemption orders before 12.00 noon (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemptions

## Risk and reward profile



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

### Other sizeable risks not taken into account in the indicator:

- **Credit risk:** Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- **Derivatives risk:** The use of such financial instruments may increase the risk of loss. The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

## Key Investor Information

This document provides essential information for investors in this sub-fund. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this sub-fund. You are advised to read it so you can make an informed decision about whether to invest.

# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0013432143 - PVC EUR shares

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities

**Investment objective:** The investment objective is to outperform compounded €STR +2,40%, expressed in euros, net of charges, over a recommended investment period of three years.

**Investment policy:** The strategy used to achieve this objective involves dynamic management of interest rate risk, credit risk and currency risk by investing primarily in risky debt issued by governments, companies, and financial institutions and structures.

The Fund's modified duration will be managed dynamically within a range of -5 to +10.

The Fund is invested as follows:

- up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any other currency, without any restriction in terms of credit quality;
- up to a maximum of 60% of the net assets in bonds and negotiable debt securities denominated in currencies other than the euro and the US dollar, up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code (Code monétaire et financier) and classified as money market, short-term money market or bond funds. These UCIs may be managed by the management company;
- up to a maximum of 5% of the net assets in ordinary shares deriving from debt restructuring. The fund manager will do his best to sell the shares received as soon as possible in the interest of the shareholders.
- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in preference shares.

The Sub-Fund may use interest rate and currency futures, interest rate and currency options, interest rate and currency swaps, currency forward transactions and credit derivatives traded on regulated, organised and/or OTC markets for hedging and/or exposure purposes, thereby taking the Sub-Fund's exposure beyond 100% of net assets.

The portfolio is exposed to interest rate, foreign exchange, credit and volatility risk, to a fixed threshold calculated based on the absolute VaR. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

### Allocation of distributable income:

Allocation of net income: Accumulation

Allocation of net realised capital gains: Accumulation

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

Business day	Day of establishment of the NAV (D)	One business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt and centralisation of redemption orders before 12.00 noon (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemptions

## Risk and reward profile



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

### Other sizeable risks not taken into account in the indicator:

- **Credit risk:** Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- **Derivatives risk:** The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

#### 4. CHANGES AFFECTING THE SUB-FUND

##### CHANGES WHICH TOOK PLACE DURING THE PERIOD OR ARE STILL TO TAKE PLACE

The Board of Directors of **LAZARD CREDIT OPPORTUNITES** (ISIN code: FR0010230490), which met on July 2nd, 2019, decided on a decimalisation of all shares into thousandths of shares.

➤ **Effective date: 24 September 2019**

The Board of Directors of **LAZARD CREDIT OPPORTUNITES** (ISIN code: FR0010230490) which met on July 2nd, 2019 decided as follows:

- Possibility to invest in contingent convertible bonds (cocos);
- Change in the definition of eligible subscribers;
- Switch from commitment calculation to Value at Risk (VaR) calculation;
- Proposal to abolish subscription and redemption fees for P shares.
- Division of the net asset value of the "PC EUR" shares by 1,000 (one thousand) and multiplication of the number of shares by 1,000 (one thousand);
- Change in the name of the shares;
- Proposal to create a new share class called "PVC EUR".

➤ **Effective date: October 1st, 2019.**

The Board of Directors of **LAZARD CREDIT OPPORTUNITES** (ISIN code: FR0010230490), which met on November 12th, 2019, decided to convert the SICAV into a SICAV with sub-funds in which Lazard Crédit Opportunités will become the first sub-fund of the LAZARD FUNDS SICAV, retaining its name.

➤ **Effective date: November 12th, 2019**

## Corporate governance (CSR) section

### I. List of appointments

Directors' names	Number of offices held	List of offices and functions
Philippe Chalmin	1	Chairman of the Board of Directors of Lazard Funds ( <i>SICAV with sub-funds</i> )
Eléonore Bunel <i>Managing Director of Lazard Frères Gestion SAS</i>	2	<ul style="list-style-type: none"> <li>- Chief Executive Officer and Director of Lazard Funds (<i>SICAV with sub-funds</i>)</li> <li>- Chairman and Chief Executive Officer of the Lazard Financial Debt SICAV</li> </ul>
François-Marc Durand <i>Chairman of Lazard Frères Gestion SAS</i>	4	<ul style="list-style-type: none"> <li>- Chairman and Chief Executive Officer of the Norden SICAV</li> <li>- Member of the Boards of Directors of the SICAVs: <ul style="list-style-type: none"> <li>. Lazard Small Caps Euro</li> <li>. Lazard Funds (<i>SICAV with sub-funds</i>)</li> <li>. Lazard Alpha Allocation</li> </ul> </li> </ul>
Jean-Jacques de Gournay <i>Managing Director of Lazard Frères Gestion SAS</i>	4	<ul style="list-style-type: none"> <li>. Chairman and Chief Executive Officer of the Norden Family SICAV</li> <li>. Member of the Boards of Directors of the SICAVs: <ul style="list-style-type: none"> <li>. Lazard Funds (<i>SICAV with sub-funds</i>)</li> <li>. Lazard Small Caps Euro</li> <li>. Lazard Equity SRI</li> </ul> </li> </ul>
Monica Nescaut <i>Managing Director of Lazard Frères Gestion SAS</i>	4	<ul style="list-style-type: none"> <li>. Member of the Boards of Directors of the SICAVs: <ul style="list-style-type: none"> <li>. Lazard Small Caps Euro</li> <li>. Lazard Funds (<i>SICAV with sub-funds</i>)</li> <li>. Norden</li> <li>. Lazard Equity SRI</li> </ul> </li> </ul>
Thierry Apoteker	1	Director of Lazard Funds ( <i>SICAV with sub-funds</i> )
Paul Castello <i>Managing Director of Lazard Frères Gestion SAS</i>	5	<ul style="list-style-type: none"> <li>. Member of the Boards of Directors of the SICAVs: <ul style="list-style-type: none"> <li>. Lazard Euro Short Duration</li> <li>. Lazard Equity SRI. Norden Small</li> <li>. Lazard Convertible Global</li> <li>. Lazard Funds (<i>SICAV with sub-funds</i>)</li> </ul> </li> </ul>

II. Directors' fees

<b>Members of the Board of Directors</b>	<b>Directors' fees paid by the SICAV</b>
Philippe Chalmin	<b>€ 5.500</b>
Eléonore Bunel	<b>0</b>
François-Marc Durand	<b>0</b>
Jean-Jacques de Gournay	<b>0</b>
Monica Nescaut	<b>0</b>
Lazard Frères Gestion SAS, represented by Alexia Latorre	<b>0</b>
MGEN Represented by Charles Bouffier	<b>€ 1.600</b>
Union Mutualiste Retraite (UMR) Represented by Philippe Rey	<b>€ 1.600</b>
Thierry Apoteker	<b>€ 4.500</b>
Paul Castello	<b>0</b>

III. Agreements covered by Article L.225-37-4 para.2 of the French Commercial Code (*Code de commerce*)

The SICAV was not informed of the conclusion of any agreements covered by Article L.225-37-4 para.2 of the French Commercial Code during the financial year ended September 30th, 2020.

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

No delegation of authority pursuant to Article L225-37-4 paragraph 3 of the French Commercial Code was granted or was ongoing during the financial year ended September 30th, 2020.

V. Method of operation of the general management

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

"At the date of preparation of the management report and in the context of uncertainty linked to the Covid-19 health crisis, the events listed below have not occurred:

- significant events occurring during the financial year such as changes in the methods of applying accounting methods (implementation of model valuation, activation of gates, suspension of NAV).
- other elements such as information relating to possible situations of suspension of subscriptions/redemptions, liquidation of funds or creation of a ring-fencing fund.

As the SICAV has the possibility to implement swing pricing, as provided for in the prospectus, this was activated during the financial year.

## PERFORMANCE

The performance of the sub-fund's shares over the period was:

**RC shares:** FR0010230490: **9,48%**,  
**TC shares:** FR0010235499: **9,73%**,  
**PC shares:** FR0010235507: **10%**,  
**PVC shares:** FR0013432143: **5,35%**,  
**PD shares:** FR0012156347: **10%**.

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

The benchmark's\* performance over the period was as follows:

**RC shares:** 0,79%, (\*€ster +1,25% since 04/11/2019, before Eonia +1,25%).  
**TC shares:** 1,05%, (\*€ster +1,50% since 04/11/2019, before Eonia +1,50%).  
**PC/PD shares:** 1,30%, (\*€ster +1,75% since 04/11/2019, before Eonia +1,75%).  
**PVC shares:** 1,39%, (\*€ster +2,40%).

## ECONOMIC ENVIRONMENT

While the dissipation of Sino-American trade tensions had allowed the world economy to begin a recovery in the second half of 2019, this movement was abruptly halted by the outbreak of the coronavirus epidemic in the first quarter of 2020. The epidemic, which was initially limited to China, then turned into a pandemic. To contain it, many countries adopted lockdown measures and closed their borders to varying degrees, leading to a drastic economic and financial shock. This context has led central banks and public authorities to take support measures on an unprecedented scale. The improvement in the health situation enabled a gradual lifting of restrictions from mid-February in China and from the end of April in the United States and Europe, enabling a strong rebound in global activity from May onwards. The process of reopening the US economy was interrupted by a resumption of the epidemic between mid-June and end-July. In Europe, the end of the lockdown was followed by a resumption of the epidemic from mid-August, leading to new targeted and localised restriction measures.

In the United States, GDP fell by 9,0% year-on-year in Q2 2020. The composite PMI rose from 51,0 to 54,3 over twelve months, with a low of 27,0 in April. The unemployment rate rose from 3,7% to 7,9% with a peak of 14,7% in April. Consumption fell by 3,2% year-on-year and the savings rate reached 14,1% of disposable income in September. Year-on-year inflation slowed from +1,7% to +1,3% in headline terms and from +2,4% to +1,7% excluding food and energy. The Federal Reserve announced a raft of support measures: a cumulative cut in its key rate by 150 basis points to 0%-0,25%, an unlimited purchasing programme for Treasuries and mortgage-backed securities, a programme of loans for businesses and local authorities. In September, Jerome Powell said that the Fed would tolerate inflation in excess of 2% to compensate for periods of lower inflation. US Congress adopted an unprecedented fiscal stimulus plan equivalent to 10,7% of GDP.

In the Eurozone, GDP declined by -14,7% year-on-year in Q2 2020. The decline was more pronounced in countries with the strictest lockdown measures: -18,9% in France, -18,0% in Italy, -21,5% in Spain compared to -11,3% in Germany. The Eurozone composite PMI rose from 50,1 to 50,4 over twelve months, with a low of 13,6 in April. The unemployment rate in the Eurozone hit a record low of 7,2% in March before rising gradually to 8,1% in August. Year-on-year inflation slowed from +0,8% to -0,3% in headline terms and from +1,0% to +0,2% excluding food and energy. The ECB announced a €120bn increase in its asset purchase programme (APP), a new €1 350bn purchase programme (PEPP) and an increase in its TLTRO loans. In July, EU countries reached an agreement on a European recovery plan of €750 billion, equivalent to 5,4% of GDP.

## **MANAGEMENT POLICY**

The fourth quarter of 2019 was marked by the partial agreement reached between China and the United States as well as the postponement of Brexit to January 31st, resulting in a sharp rise in sovereign yields and a fall in risk premiums. Given the rise in interest rates, only the riskiest assets (subordinated, High Yield and emerging market bonds) posted positive performances over the period.

Lazard Crédit Opportunities generated a good performance over the period by investing in high-yield and subordinated bonds and by being positioned in negative modified duration.

Then, despite a reassuring start to the year in terms of economic figures, the first quarter of 2020 was marked by a sharp rise in volatility in financial markets linked to the collapse in oil prices and the spread of the COVID-19 epidemic worldwide. Concerns focused on the epidemic's impact on growth and, in particular, on the length of the confinement measures put in place for half the world population. PMI indicators confirmed that all countries and sectors were impacted by the halt in activity. Fiscal stimulus announcements around the world as well as major actions taken by the Fed and the ECB enabled the markets to stabilise at the end of the quarter. The different asset classes posted negative performances over the period. Risk premiums hit levels seen during the 2012 sovereign crisis due to significant outflows from the asset class. Sovereign yields fell sharply, reaching all-time lows (-0,86% for the German 10-year yield). Corporate fundamentals deteriorated in the second quarter of 2020, with a very sharp drop in EBITDA according to business sector. This deterioration in credit ratios will be limited thanks to the rapid measures implemented by governments to shore up the economy (guaranteed government loans, tax deferrals, short-time working, etc.). Default rates are expected to rise but not to the 2008 level. As far as banks are concerned, the cost of risk has increased significantly, capital remains stable and liquidity is still abundant thanks to the European Central Bank's actions. Lazard Crédit Opportunities generated a limited underperformance over the period thanks to the implementation of credit derivative hedges from the end of January and a very defensive positioning.

The second quarter of 2020 was marked by an improvement in the health situation, enabling a gradual reopening of economies. The ECB decided to increase the limit for its asset purchases under the PEPP by €600 billion. Moreover, the European Commission finally did not disappoint as it announced a €750 billion fiscal stimulus plan. The fall in peripheral sovereign yields and the tightening of credit spreads continued over the period. Demand remained strong for the credit asset class, particularly for investment grade, and the sub-fund's inflows remained positive since the beginning of the year. This enabled us to absorb the record amount of new issues issued on the primary market over the period. Lazard Crédit Opportunities generated a good performance over the period thanks to the unwinding of credit derivative hedging and therefore of an aggressive positioning on credit from the end of March via high yield and subordinated bonds.

In the third quarter of 2020, the faster-than-expected rebound in activity led to an upward revision of growth forecasts for 2020. The massive fiscal and monetary response enabled the credit market rebound to continue. Default rates in Europe rose to 3.9% in late September, without being expected to reach 2008 levels. Demand for credit remains strong for investment grade credit. In high yield, investors still seem hesitant but the attractive level of premiums should prompt them to return to the asset class. Lazard Crédit Opportunities generated a good performance over the period thanks to its aggressive positioning on credit via high yield and subordinated bonds.

### Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
HELLENIC REPUBLIC GOVERNMENT BOND 3.875% 12-03-29	43 471 950,00	43 376 525,00
ITALYBUONI POLIENNALI DEL TESORO 1.35% 01-04-30	15 150 524,50	15 204 347,90
UNITED STATES TREASURY NOTEBOND 1.125% 28-02-22	7 238 804,85	7 530 381,73
DEUTSCHE BANK 6% 31/12/2099	5 017 554,03	5 579 294,52
BUNDESSCHATZANWEISUNGEN 0.0% 11-03-22	5 094 250,00	5 078 750,00
ACCOR 4.375% PERP	4 175 803,40	5 848 004,78
BECTON DICKINSON AND 1.9% 15-12-26	3 269 499,02	3 033 870,93
ROSW 0 7/8 02/25/25	3 174 477,21	3 065 940,57
SPAIN GOVERNMENT BOND 0.6% 31-10-29	3 105 701,31	3 104 363,11
EDF 4.0% PERP	2 934 145,30	3 179 450,82

### Transparency of securities financing transactions and the reuse of financial instruments - SFTR - in the sub-fund's accounting currency (€)

The sub-fund carried out no transactions during the year in the context of the SFTR.

• **EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVE FINANCIAL INSTRUMENTS**

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

- Exposure through efficient management techniques:
  - **Securities lending:**
  - **Securities borrowing:**
  - **Repurchase agreements:**
  - **Reverse repurchase agreements:**
- Underlying exposure through derivative financial instruments: **104 712 000,00**
  - **Currency forwards:**
  - **Futures: 104 712 000,00**
  - **Options:**
  - **Swaps:**

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

Efficient portfolio management techniques	Derivative financial instruments (*)

(\*) Excluding listed derivatives

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

Instrument type	Amount in the currency of the portfolio
<b>Efficient portfolio management techniques</b> . Term deposits . Equities . Bonds . UCITS . Cash (**) <b>Total</b>	
<b>Derivative financial instruments</b> . Term deposits . Equities . Bonds . UCITS . Cash  <b>Total</b>	     2 030 000,00  <b>2 030 000,00</b>

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

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

Operating income and expenses	Amount in the currency of the portfolio
. Income (***) . Other income  <b>Total income</b>	169,76  <b>169,76</b>
. Direct operating expenses . Indirect operating expenses . Other expenses  <b>Total expenses</b>	2 845,51  <b>2 845,51</b>

(\*\*\*) Income on securities lending and repurchase agreements

## 6. REGULATORY INFORMATION

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

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

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

### • BROKERAGE FEES

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

### • EXERCISING VOTING RIGHTS

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

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

### • COMMUNICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE 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.

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

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 extra-financial criteria:
  - Social criteria: through the development of human capital.
  - Environmental criteria: through the prevention of all environmental risks.
  - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

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

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

### • 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 sub-fund's annual financial statements.

#### • METHOD USED TO CALCULATE GLOBAL RISK

The calculation method used is the absolute VaR.

Maximum level of VaR per month: 23,93% (March 2020).

Minimum level of VaR per month: 2,07%.

Average level of VaR per month: 8,79%.

Leverage level at 30/09/2020: 9,23 (VaR % Hist3Y).

#### • LEVERAGE EFFECT

Gross leverage: 181,50%.

Net leverage: 96,20%.

#### • SWING PRICING

In order to protect the shareholders remaining in the sub-fund, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the sub-fund's outstandings, which may generate costs for holders entering and leaving the Sub-fund that would otherwise have been allocated across all holders in the sub-fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of sub-fund units or shares exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the net assets in the sub-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 or share category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each unit or share category in the sub-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 sub-fund.

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

#### • INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE (FOR DISTRIBUTING UCIs)

Pursuant to the provisions of Article 41 sexdecies H of the French General Tax Code, income on distributing shares is subject to an allowance of 40%.

#### • REMUNERATION

The fixed and variable remuneration paid during the financial year ended on December 31st, 2019 by the management company to its personnel, pro rata their investment in the management of the AIFs, excluding the management of the UCITS and discretionary mandates, can be obtained on request by post from the UCI legal department of Lazard Frères Gestion, and are indicated 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 its earnings into account. 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 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.

**Population at 31/12/2019: Fixed-term and permanent contracts at LFG and LFG-Belgium (i.e. excluding interns and trainees and excluding LFG-Courtage)**

Headcount at 31/12/2019 LFG - LFG-Belgique	Fixed annual remuneration 2019 in €	Variable remuneration for 2019 (cash paid in 2020 and deferred in 2020) in €
174	15 947 054	19 567 356

**“Identified employees”**

Category	Number of employees	Aggregated fixed and variable remuneration 2019 (including deferred) in euros
Senior management	3	4 100 006
Other	48	18 940 465
<b>Total</b>	<b>51</b>	<b>23 040 471</b>

**Note:** the amounts are unloaded

**• OTHER INFORMATION**

The sub-fund's complete prospectus and the most recent annual and interim reports will be sent out within one week of request made in writing by the shareholder to:

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

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

## 7. ANNUAL FINANCIAL STATEMENTS

### • BALANCE SHEET

in euros

#### ASSETS

	30/09/2020	30/09/2019
<b>Net non-current assets</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>118 551 644,53</b>	<b>91 410 594,31</b>
<b>Equities and similar securities</b>		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
<b>Bonds and similar securities</b>	<b>111 189 947,28</b>	<b>82 013 968,26</b>
Traded on a regulated or equivalent market	111 189 947,28	82 013 968,26
Not traded on a regulated or equivalent market		
<b>Debt securities</b>		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
<b>Undertakings for collective investment</b>	<b>7 248 487,25</b>	<b>8 753 836,05</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	7 248 487,25	8 753 836,05
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		
<b>Temporary securities transactions</b>		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
<b>Forward financial instruments</b>	<b>1 13 210,00</b>	<b>642 790,00</b>
Transactions on a regulated or equivalent market	113 210,00	642 790,00
Other transactions		
<b>Other financial instruments</b>		
<b>Receivables</b>	<b>1 701 335,51</b>	<b>1 169 930,08</b>
<b>Currency forward exchange transactions</b>		
<b>Other</b>	<b>1 701 335,51</b>	<b>1 169 930,08</b>
<b>Financial accounts</b>	<b>10 889 813,47</b>	<b>84 934,81</b>
<b>Cash and cash equivalents</b>	<b>10 889 813,47</b>	<b>84 934,81</b>
<b>Total assets</b>	<b>131 142 793,51</b>	<b>92 665 459,20</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	30/09/2020	30/09/2019
<b>Shareholders' equity</b>		
Share capital	111 125 269,11	96 100 771,16
Undistributed net capital gains and losses recognised in previous years (a)		44,06
Retained earnings (a)	205,37	246,68
Net capital gains and losses for the year (a, b)	8 703 860,80	-7 905 776,72
Net income for the year (a, b)	3 015 480,20	2 196 759,87
<b>Total shareholders' equity (= amount representing net assets)</b>	<b>122 844 815,48</b>	<b>90 392 045,05</b>
<b>Financial instruments</b>	<b>113 210,00</b>	<b>642 790,00</b>
<b>Sales of financial instruments</b>		
<b>Temporary securities transactions</b>		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
<b>Forward financial instruments</b>	<b>113 210,00</b>	<b>642 790,00</b>
Transactions on a regulated or equivalent market	113 210,00	642 790,00
Other transactions		
<b>Liabilities</b>	<b>8 184 768,03</b>	<b>946 511,91</b>
<b>Currency forward exchange transactions</b>		
<b>Other</b>	<b>8 184 768,03</b>	<b>946 511,91</b>
<b>Financial accounts</b>		<b>684 112,24</b>
<b>Bank overdrafts</b>		<b>684 112,24</b>
<b>Borrowings</b>		
<b>Total liabilities and shareholders' equity</b>	<b>131 142 793,51</b>	<b>92 665 459,20</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year

- **OFF-BALANCE SHEET ITEMS in euros**

	30/09/2020	30/09/2019
<b>Hedging transactions</b>		
<b>Commitments on regulated or similar markets</b>		
<b>Futures contracts</b>		
XEUR FGBL BUN 1219		70 745 500,00
<b>Commitments on OTC markets</b>		
<b>Other commitments</b>		
<b>Other transactions</b>		
<b>Commitments on regulated or similar markets</b>		
<b>Futures contracts</b>		
XEUR FGBL BUN 1220	104 712 000,00	
<b>Commitments on OTC markets</b>		
<b>Options</b>		
<b>Other commitments</b>		

• **INCOME STATEMENT in euros**

	30/09/2020	30/09/2019
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	0,19	247,75
Income from equities and similar securities		
Income from bonds and similar securities	4 126 106,24	3 704 686,72
Income from debt securities		
Income from temporary purchases and sales of securities	169,76	
Income from forward financial instruments		
Other financial income		
<b>Total (1)</b>	<b>4 126 276,19</b>	<b>3 704 934,47</b>
<b>Expenses related to financial transactions</b>		
Expenses related to temporary purchases and sales of securities	2 845,51	4 373,13
Expenses related to forward financial instruments		
Expenses related to financial liabilities	9 732,48	4 597,23
Other financial charges		
<b>Total (2)</b>	<b>12 577,99</b>	<b>8 970,36</b>
<b>Income from financial transactions (1 - 2)</b>	<b>4 113 698,20</b>	<b>3 695 964,11</b>
Other income (3)		
Management fees and depreciation and amortisation (4)	1 318 070,70	1 239 832,33
<b>Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>2 795 627,50</b>	<b>2 456 131,78</b>
Income adjustment for the financial year (5)	219 852,70	-259 371,91
Interim dividends paid on net income for the financial year (6)		
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>3 015 480,20</b>	<b>2 196 759,87</b>

## ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with French accounting regulation ANC 2017-05 which amends ANC regulation 2014-01 on the chart of accounts for open-end collective investment undertakings.

The general accounting principles apply:

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

### Information on the impact of the COVID-19 crisis

The financial statements were approved by the Board of Directors on the basis of available information in the context of the evolving Covid9 crisis.

### Asset valuation rules

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

o **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).

#### o **Fixed-income securities:**

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

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

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

Financial instruments whose prices have not been determined on the valuation 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:

#### o **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, OISs and BTFs - 3 - 6 - 9 - 12 months BTANs - 18 months, 2 – 3 – 4 – 5 years	Official key rates in the relevant countries

**- Negotiable debt securities with a residual maturity of three months or less:**

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

**o UCIs:**

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

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

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

Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (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.

**o Futures and options:**

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

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

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

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

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

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

The commitment value for futures contracts is equal to the price (in the SICAV's currency) multiplied by the number of contracts multiplied by the face value.

The commitment value for options is equal to the price of the underlying security (in the SICAV's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.

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

**Swing Pricing**

The management company has been applying a swing pricing adjustment to the net asset value with a trigger level since July 27th, 2015. Unitholders can consult information on this mechanism in the SICAV's prospectus, which is available at the management company's head office and on its website.

**Management fees**

Management fees are calculated on each valuation day.

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

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

- 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:

<b>Expenses charged to the SICAV</b>	<b>Basis</b>	<b>Rate</b>	
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion SAS	RC EUR shares: 1,715% incl. taxes TC EUR shares: 1,465% incl. taxes PC EUR shares: 1,215% incl. taxes PD EUR shares: 1,215% incl. taxes PVC EUR shares: 0,60% incl. taxes (maximum)	
Administrative fees external to the management company	Net assets	Maximum 0,035%	
Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Bonds, foreign exchange	0% to 0,005%, incl. tax
		Futures and other transactions	From €0 to €450 incl. taxes per contract
Performance fee	n/a	None	

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.

### **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:**

<b>Share(s)</b>	<b>Allocation of net income</b>	<b>Allocation of net realised capital gains or losses</b>
LAZARD CREDIT OPPORTUNITIES PC EUR shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES PD EUR shares	Distribution	Accumulation and/or Distribution and/or Retention
LAZARD CREDIT OPPORTUNITIES PVC EUR shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES RC EUR shares	Accumulation	Accumulation
LAZARD CREDIT OPPORTUNITIES TC EUR shares	Accumulation	Accumulation

• **CHANGE IN NET ASSETS in euros**

	30/09/2020	30/09/2019
<b>Net assets at start of year</b>	<b>90 932 045,05</b>	<b>109 526 923,62</b>
Subscriptions (including subscription fees retained by the Fund)	36 195 055,88	14 342 826,02
Redemptions (net of redemption fees retained by the Fund)	-13 062 172,71	-32 025 825,73
Realised capital gains on deposits and financial instruments	8 329 896,73	5 741 987,98
Realised capital losses on deposits and financial instruments	-3 885 914,96	-4 996 189,52
Realised capital gains on forward financial instruments	183 356 496,21	55 767 752,62
Realised capital losses on forward financial instruments	-179 803 563,78	-64 761 417,76
Transaction charges	-340 929,90	-65 776,93
Exchange rate differences	-319,77	623 825,71
Changes in valuation difference of deposits and financial instruments	-927 286,00	3 150 655,62
Valuation difference for financial year N	-2 593 360,68	-1 666 074,68
Valuation difference for financial year N-1	1 666 074,68	4 816 730,30
Changes in valuation difference of forward financial instruments	529 580,00	2 542 768,04
Valuation difference for financial year N	-113 210,00	-642 790,00
Valuation difference for financial year N-1	642 790,00	3 185 558,04
Distribution of prior year's net capital gains and losses		-627 270,96
Dividends paid in the previous financial year	-733 698,77	-1 284 345,44
Net profit/loss for the financial year prior to income adjustment	2 795 627,50	2456 131,78
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		
<b>Net assets at end of year</b>	<b>122 844 815,48</b>	<b>90 392 045,05</b>

• BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount:	%
<b>Assets</b>		
<b>Bonds and similar securities</b>		
Fixed-rate bonds traded on a regulated or similar market	105 141 667,16	85,59
Variable/adjustable rate bonds traded on a regulated or equivalent market	4 561 469,41	3,71
Convertible bonds traded on a regulated or equivalent market	1 486 810,71	1,21
<b>TOTAL Bonds and similar securities</b>	<b>111 189 947,28</b>	<b>90,51</b>
<b>Debt securities</b>		
<b>TOTAL Debt securities</b>		
<b>Liabilities</b>		
<b>Sales of financial instruments</b>		
<b>TOTAL Sales of financial instruments</b>		
<b>Off-balance sheet items</b>		
<b>Hedging transactions</b>		
<b>TOTAL Hedging transactions</b>		
<b>Other transactions</b>		
Interest rates	104 712 000,00	85,24
<b>TOTAL Other transactions</b>	<b>104 712 000,00</b>	<b>85,24</b>

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>Assets</b>								
Deposits								
Bonds and similar securities	105 141 667,16	85,59			6 048 280,12	4,92		
Debt securities								
Temporary securities transactions								
Financial accounts							10 889 813,47	8,86
<b>Liabilities</b>								
Temporary securities transactions								
Financial accounts								
<b>Off-balance sheet items</b>								
Hedging transactions								
Other transactions	104 712 000,00	85,24						

• BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY

	< 3 months	%	3 months-1	%	1-3 years	%	3-5 years	%	> 5 years	%
<b>Assets</b>										
Deposits										
Bonds and similar securities	8 570,33	0,01			5 845 078,18	4,76	7 964 423,64	6,48	97 371 875,13	79,26
Debt securities										
Temporary securities transactions										
Financial accounts	10 889 813,47	8,86								
<b>Liabilities</b>										
Temporary securities transactions										
Financial accounts										
<b>Off-balance sheet items</b>										
Hedging transactions										
Other transactions									104 712 000,00	85,24

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

• BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY

	USD		GBP		MXN		Other currencies	
	Amount:	%	Amount:	%	Amount:	%	Amount:	%
<b>Assets</b>								
Deposits								
Equities and similar securities								
Bonds and similar securities	8 570,33	0,01						
Debt securities								
UCIs								
Temporary securities transactions								
Receivables								
Financial accounts	2 959,54		5 742,23		3,79			
<b>Liabilities</b>								
Sales of financial instruments								
Temporary securities transactions								
Financial accounts								
<b>Off-balance sheet</b>								
Hedging transactions								
Other transactions								

• RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	30/09/2020
Receivables	Subscription receivables	9 047,12
	Margin cash deposits	1 620 871,70
	Coupons and dividends in cash	71 416,69
<b>Total receivables</b>		<b>1 701 335,51</b>
Liabilities	Deferred settlement purchase	6 019 071,78
	Management fees	135 696,25
	Collateral	2 030 000,00
<b>Total liabilities</b>		<b>8 184 768,03</b>
<b>Total liabilities and receivables</b>		<b>-6 483 432,52</b>

• **NUMBER OF SECURITIES ISSUED OR REDEEMED**

	In equity	In amounts
<b>RC EUR shares</b>		
Shares subscribed during the financial year	24 715,557	13 298 559,37
Shares redeemed during the financial year	-13 812,510	-7 692 350,78
Net balance of subscriptions/redemptions	10 903,047	5 606 208,59
Number of shares outstanding at the end of the financial	25 213,047	
<b>TC EUR shares:</b>		
Shares subscribed during the financial year	75,000	842 940,75
Shares redeemed during the financial year	-7,000	-74 609,33
Net balance of subscriptions/redemptions	68,000	768 331,42
Number of shares outstanding at the end of the financial	235,000	
<b>PC EUR shares:</b>		
Shares subscribed during the financial year	61 897,836	21 478 900,95
Shares redeemed during the financial year	-1 822,165	-2 041 277,08
Net balance of subscriptions/redemptions	60 075,671	19 437 623,87
Number of shares outstanding at the end of the financial	60 119,671	
<b>PD EUR shares:</b>		
Shares subscribed during the financial year	537,319	455 745,08
Shares redeemed during the financial year	-3 835,769	-3 217 680,85
Net balance of subscriptions/redemptions	-3 298,450	-2 761 935,77
Number of shares outstanding at the end of the financial	34 688,944	
<b>PVC EUR shares:</b>		
Shares subscribed during the financial year	119,00	118 909,73
Shares redeemed during the financial year	-39,000	-36 254,67
Net balance of subscriptions/redemptions	80,000	82 655,06
Number of shares outstanding at the end of the financial	80,000	

• **SUBSCRIPTION AND/OR REDEMPTION FEES**

	In amounts
<b>RC EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
<b>TC EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
<b>PC EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
<b>PD EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
<b>PVC EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	

• **MANAGEMENT FEES**

	30/09/2020
<b>RC EUR shares</b>	
Guarantee fees	
Fixed management fees	203 846,91
Percentage of fixed management fees	1,65
Variable management fees	
Retrocessions of management fees	
<b>TC EUR shares</b>	
Guarantee fees	
Fixed management fees	35 908,3 1
Percentage of fixed management fees	1,42
Variable management fees	
Retrocessions of management fees	
<b>PC EUR shares</b>	
Guarantee fees	
Fixed management fees	720 777,50
Percentage of fixed management fees	1,18
Variable management fees	
Retrocessions of management fees	
<b>PD EUR shares</b>	
Guarantee fees	
Fixed management fees	357 178,67
Percentage of fixed management fees	1,18
Variable management fees	
Retrocessions of management fees	
<b>PVC EUR shares</b>	
Guarantee fees	
Fixed management fees	359,3 1
Percentage of fixed management fees	0,57
Variable management fees	
Retrocessions of management fees	

• **COMMITMENTS RECEIVED AND GIVEN**

**Guarantees received by the sub-fund:**

None.

**Other commitments received and/or given:**

None.

• PRESENT VALUE OF SECURITIES HELD TEMPORARILY

	30/09/2020
Securities held under repurchase agreements	
Borrowed securities	

• PRESENT VALUE OF SECURITIES REPRESENTING SECURITY DEPOSITS

	30/09/2020
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

• GROUP FINANCIAL INSTRUMENTS HELD IN THE PORTFOLIO

	ISIN	Description	30/09/2020
Equities			
Bonds			
Negotiable debt securities			
UCIs			7 248 487,25
	FR0010505313	LAZARD EURO CORP HIGH YIELD PC EUR	2 076 840,00
	FR0013507027	LAZARD EURO SHORT DURATION HIGH	2 552 825,00
	FR0013314440	LAZARD GLOBAL HYBRID BONDS EV EUR	2 618 822,25
Forward financial			
<b>Total group securities</b>			<b>7 248 487,25</b>

• TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME PERTAINING TO NET INCOME

	30/09/2020	30/09/2019
<b>Remaining amounts to be allocated</b>		
Retained earnings	205,37	246,88
Net income	3 015 480,20	2 196 759,87
<b>Total</b>	<b>3 015 685,57</b>	<b>2 197 006,55</b>

	30/09/2020	30/09/2019
<b>RC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	300 513,10	150 261,13
<b>Total</b>	<b>300 513,10</b>	<b>150 261,13</b>

	30/09/2020	30/09/2019
<b>TC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	64 277,68	40 524,02
<b>Total</b>	<b>64 277,68</b>	<b>40 524,02</b>

	30/09/2020	30/09/2019
<b>PC EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	1 872 677,16	1 222 316,85
<b>Total</b>	<b>1 872 677,16</b>	<b>1 222 316,85</b>

	30/09/2020	30/09/2019
<b>PCV EUR shares</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	2 049,77	
<b>Total</b>	<b>2 049,77</b>	

	30/09/2020	30/09/2019
<b>PD EUR shares</b>		
<b>Appropriation</b>		
Distribution	775 991,68	783 679,94
Balance brought forward for the financial year	176,18	224,61
Accumulation		
<b>Total</b>	<b>776 167,86</b>	<b>783 904,55</b>
<b>Information on shares with dividend rights</b>		
Number of shares	34 688,944	37 987,394
Dividend per share	22,37	20,63
<b>Tax credit</b>		
Tax credit attached to the distribution of earnings		

• **TABLE OF ALLOCATION OF DISTRIBUTABLE AMOUNTS PERTAINING TO NET CAPITAL GAINS AND LOSSES**

	30/09/2020	30/09/2019
<b>Remaining amounts to be allocated</b>		
Undistributed net capital gains and losses recognised in previous years		44,06
Net capital gains and losses for the year	8 703 860,80	-7 905 776,72
Interim dividends paid on net capital gains/losses for the financial year		
<b>Total</b>	<b>8 703 860,80</b>	<b>-7 905 732,66</b>

	30/09/2020	30/09/2019
<b>RC EUR shares</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	1 032 843,32	-655 236,70
<b>Total</b>	<b>1 032 843,32</b>	<b>-655 236,70</b>

	30/09/2020	30/09/2019
<b>TC EUR shares</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	199 078,82	-157 778,18
<b>Total</b>	<b>199 078,82</b>	<b>-157 778,18</b>

	30/09/2020	30/09/2019
<b>PC EUR shares</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	5 277 535,34	-4 297 985,46
<b>Total</b>	<b>5 277 535,34</b>	<b>-4 297 985,46</b>

	30/09/2020	30/09/2019
<b>PCV EUR shares</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	4 363,89	
<b>Total</b>	<b>4 363,89</b>	

	30/09/2020	30/09/2019
<b>PD EUR shares</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	2 190 039,43	-2 794 732,32
<b>Total</b>	<b>2 190 039,43</b>	<b>-2 794 732,32</b>

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

	30/09/2016	29/09/2017	28/09/2018	30/09/2019	30/09/2020
<b>Global net assets in euros</b>	<b>104 509 053,63</b>	<b>118 886 084,79</b>	<b>109 526 923,62</b>	<b>90 392 045,05</b>	<b>122 844 815,48</b>
<b>LAZARD CREDIT OPPORTUNITIES RC EUR</b>					
Net assets in euros	5 603 958,82	5 087 594,1 1	6 165 205,08	7 544 907,76	14 553 463,27
Number of shares	11 058,000	9 378,000	1 1 721,000	14 310,000	25 213,047
Net asset value per share in EUR	506,77	542,50	525,99	527,24	577,21
Accumulation per share pertaining to net capital gains/losses in euros	-26,14	14,40	8,43	-45,78	40,96
Accumulation per share pertaining to net income in euros	22,32	17,46	13,90	10,50	11,91
<b>LAZARD CREDIT OPPORTUNITIES TC EUR</b>					
Net assets in euros	3 712 713,11	4 564 157,29	4 924 103,01	1 819 985,01	2 810 448,75
Number of shares	357,000	409,000	454,000	167,000	235,000
Net asset value per share in EUR	10 399,75	11 159,30	10 846,04	10 898,1 1	11 959,35
Accumulation per share pertaining to net capital gains/losses in euros	-535,87	296,22	173,88	-944,77	847,14
Accumulation per share pertaining to net income in euros	481,69	384,53	313,32	242,65	273,52
<b>LAZARD CREDIT OPPORTUNITIES PC EUR</b>					
Net assets in euros	58 817 218,67	62 1 12 154,13	60 515 1 15,17	49 665 121,68	74 644 208,05
Number of shares	55,000	54,000	54,000	44,000	60 119,671
Net asset value per share in EUR	1 069 403,97	1 150 225,07	1 120 650,28	1 128 752,76	1 241,59
Accumulation per share pertaining to net capital gains/losses in euros	-55 033,80	30 514,87	17 963,81	-97 681,48	87,78
Accumulation per share pertaining to net income in euros	51 945,10	42 224,49	35 125,21	27 779,92	31,14
<b>LAZARD CREDIT OPPORTUNITIES PD EUR</b>					
Net assets in euros	36 375 163,03	47 122 179,26	37 922 500,36	3 1 362 030,60	30 752 477,29
Number of shares	39 480,000	49 934,000	43 993,000	37 987,394	34 688,944
Net asset value per share in EUR	921,35	943,68	862,01	825,59	886,52
Distribution per share pertaining to net capital gains/losses in euros		25,07	13,47		
Accumulation per share pertaining to income in euros	-48,04			-73,56	63,13
Distribution per share pertaining to net income in euros	45,13	34,99	27,58	20,63	22,37
Retained earnings per share pertaining to net income in euros					
Tax credit per share EUR					*

\* Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

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

	30/09/2016	29/09/2017	28/09/2018	30/09/2019	30/09/2020
<b>Global net assets in euros</b>	<b>104 509 053,63</b>	<b>118 886 084,79</b>	<b>109 526 923,62</b>	<b>90 392 045,05</b>	<b>122 844 815,48</b>
<b>LAZARD CREDIT OPPORTUNITIES PVC EUR</b>					
Net assets in euros					84 218,12
Number of shares					80,000
Net asset value per share in EUR					1 052,72
Accumulation per share pertaining to net capital					54,54
Accumulation per share pertaining to net income in					25,62

\* Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

• **INVENTORY** in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Bonds and similar securities</b>				
<b>Bonds and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
CMZB FRANCFORT 4.0% 05-12-30	in euros	600 000	622 434,66	0,51
CMZB FRANCFORT 6.125% PERP	in euros	1 400 000	1 394 747,60	1,14
CMZB FRANCFORT 6.5% PERP	in euros	800 000	809 077,92	0,66
DEUTSC 4.5% 19-05-26 EMTN	in euros	1 000 000	1 082 667,12	0,88
DEUTSCHE BANK 6% 3 1/12/2099	in euros	1 000 000	926 129,45	0,75
DEUTSCHE BK 5.625% 19-05-31	in euros	2 500 000	2 734 659,76	2,22
LBBW 4.0% PERP EMTN	in euros	1 000 000	946 310,14	0,77
NIDDA BOND 7.25% 30-09-25	in euros	500 000	511 740,28	0,42
PRESTIGEBIDCO GMBH 6.25% 15-12-23	in euros	500 000	519 975,69	0,42
<b>TOTAL GERMANY</b>			<b>9 547 742,62</b>	<b>7,77</b>
<b>AUSTRIA</b>				
ERSTE GR BK 3.375% PERP EMTN	in euros	2 000 000	1 776 722,13	1,45
OMV AG 2.875% PERP	in euros	1 000 000	994 866,78	0,81
UNIQA VERSICHERUNGEN AG 3.25% 09-10-35	in euros	700 000	729 601,95	0,59
<b>TOTAL AUSTRIA</b>			<b>3 501 190,86</b>	<b>2,85</b>
<b>BELGIUM</b>				
AGEAS NV 3.875% PERP	in euros	1 400 000	1 328 078,84	1,08
BELFIUS BANK 3.625% PERP	in euros	1 000 000	923 723,39	0,75
FORTIS BK TV07-191272 CV	in euros	2 000 000	1 486 810,71	1,21
<b>TOTAL BELGIUM</b>			<b>3 738 612,94</b>	<b>3,04</b>
<b>BERMUDA</b>				
CELE NUTR LTD 12-06-1 UN DEFAULT	SGD	1 000 000		
<b>TOTAL BERMUDA</b>				
<b>BRAZIL</b>				
X PETROLEO 8.5% 01/06/2018 SERIE REGS DEFAULT	USD	2 000 000	8 570,33	0,01
<b>TOTAL BRAZIL</b>			<b>8 570,33</b>	<b>0,01</b>
<b>CANADA</b>				
VALEANT PHARMACEUTICALS INTERNATIONAL IN 4.5% 15-05- 23	in euros	500 000	505 702,50	0,41
<b>TOTAL CANADA</b>			<b>505 702,50</b>	<b>0,41</b>
<b>DENMARK</b>				
DANSKE BA 5.875% PERP EMTN	in euros	1 000 000	1 062 212,92	0,86
<b>TOTAL DENMARK</b>			<b>1 062 212,92</b>	<b>0,86</b>
<b>SPAIN</b>				
ABANCA CORPORACION BANCARIA 6.125% 18-01-29	in euros	1 000 000	1 098 121,23	0,89
BANCO BILBAO VIZCAYA ARGENTARIA SA 5.875% PERP	in euros	1 400 000	1 391 006,71	1,13
BANCO DE SABADELL SA 6.5% PERP	in euros	2 000 000	1 817 476,74	1,48
BANCO SANTANDER SA 5.25% PERP	in euros	1 000 000	972 917,69	0,79
BANKIA SA 6.0% PERP	in euros	1 800 000	1 844 408,35	1,50
BBVA 6.0% PERP	in euros	1 200 000	1 235 502,52	1,01
BCO SANT CENT HIS 6.25% PERP	in euros	1 400 000	1 406 644,08	1,15
CAIXABANK 5.25% PERP	in euros	1 000 000	933 523,08	0,76
GRUPO ANTOLIN IRAU 3.25% 30-04-24	in euros	500 000	432 716,11	0,35

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
IBERCAJA 2.75% 23-07-30	in euros	1 000 000	924 884,32	0,75
INTL CONSOLIDATED AIRLINES GROU 0.5% 04-07-23	in euros	1 000 000	805 097,88	0,66
LIBERBANK SA 6.875% 14-03-27	in euros	2 000 000	2 193 315,89	1,79
LORCA TELECOM BONDCO SAU 4.0% 18-09-27	in euros	250 000	256 220,56	0,21
UNICAJA BAN 2.875% 13-11-29	in euros	2 000 000	1 964 351,64	1,60
<b>TOTAL SPAIN</b>			<b>17 276 186,80</b>	<b>14,07</b>
<b>UNITED STATES OF AMERICA</b>				
FORD MOTOR CREDIT 2.386% 17-02-26	in euros	1 000 000	949 533,61	0,77
FORD MOTOR CREDIT 3.25% 15-09-25	in euros	1 200 000	1 172 932,44	0,96
IMS HEALTH 3.25% 15-03-25	in euros	650 000	656 730,57	0,53
<b>TOTAL UNITED STATES OF AMERICA</b>			<b>2 779 196,62</b>	<b>2,26</b>
<b>FRANCE</b>				
ALTICE FRANCE 3.375% 15-01-28	in euros	533 000	523 156,16	0,43
ALTICE FRANCE 4.125% 15-01 -29	in euros	500 000	501 104,58	0,41
AUTODIS E3R+5.5% 01-05-22	in euros	375 000	295 445,92	0,24
BFCM BANQUE FEDERATIVE CREDIT MUTUEL EIS10R+0.1% PERP	in euros	2 300 000	1 826 950,89	1,48
CASA 6.50% PERP	in euros	500 000	513 331,07	0,42
CMA CGM 6.5% 15-07-22	in euros	1 000 000	1 007 167,78	0,82
EDF 3,375% PERP	in euros	1 000 000	980 886,92	0,80
FAURECIA 3.75% 15-06-28	in euros	800 000	803 934,67	0,65
ORANO 2.75% 08-03-28 EMTN	in euros	700 000	694 878,25	0,57
PARTS EUROPE 6.5% 16-07-25	in euros	500 000	512 918,33	0,42
PICARD GROUPE E3R+3.0% 30-11-23	in euros	1 000 000	974 958,33	0,79
RENAULT CREDIT INTERNATIONAL BANQUE SA 2.625% 18-0230	in euros	500 000	486 035,37	0,40
RENAULT 1.25% 24-06-25 EMTN	in euros	500 000	463 337,33	0,38
SFR GROUP 5.875% 01 -02-27	in euros	1 300 000	1 391 214,32	1,12
SPCM 2.625% 01/02/2029	in euros	400 000	399 584,14	0,33
TEREOS 4.125% 16/06/2023	in euros	500 000	470 665,24	0,38
UNIBAIL RODAMCO SE 2.875% PERP	in euros	1 000 000	892 287,74	0,73
<b>TOTAL FRANCE</b>			<b>12 737 857,04</b>	<b>10,37</b>
<b>GREECE</b>				
ALPHA BANK 4.25% 13-02-30 EMTN	in euros	800 000	683 295,91	0,56
BANK OF PIRAEUS 5.5% 19-02-30	in euros	1 100 000	747 875,42	0,61
NATL BANK OF GREECE 8.25% 18-07-29	in euros	2 500 000	2 630 132,71	2,14
<b>TOTAL GREECE</b>			<b>4 061 304,04</b>	<b>3,31</b>
<b>CAYMAN ISLANDS</b>				
CHINA MILK 0% 05/01/12 CV *USD	USD	1 000 000		
<b>TOTAL CAYMAN ISLANDS</b>				
<b>IRELAND</b>				
AIB GROUP 2.875% 30-05-31 EMTN	in euros	1 500 000	1 498 983,80	1,22
AIB GROUP 5.25% PERP	in euros	1 000 000	980 079,17	0,80
AIB GROUP 6.25% PERP	in euros	1 000 000	1 018 697,27	0,83
BK IRELAND GROUP 6.0% PERP	in euros	800 000	792 138,50	0,64
<b>TOTAL IRELAND</b>			<b>4 289 898,74</b>	<b>3,49</b>
<b>ITALY</b>				
AUTOSTRADA PER L ITALILIA 1.75% 01-02-27	in euros	1 000 000	955 051,67	0,78
BANCO BPM 4.25% 01-10-29	in euros	1 500 000	1 481 747,16	1,21
BANCO BPM 6.125% PERP	in euros	1 000 000	879 340,14	0,72

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
BANCO BPM 8.75% PERP EMTN	in euros	1 000 000	997 751,53	0,81
DIOCLE SPA E3R+3.875% 30-06-26	in euros	1 000 000	947 441,29	0,77
INTE 3.75% PERP	in euros	2 000 000	1 654 706,96	1,35
INTE 5.5% PERP EMTN	in euros	1 800 000	1 720 340,90	1,40
MONTE PASCHI 5.375% 18-01-28	in euros	1 500 000	1 302 059,02	1,06
MONTE PASCHI 8.0% 22-01 -30	in euros	1 800 000	1 757 563,43	1,43
MONTE PASCHI 8.5% 10-09-30	in euros	200 000	194 733,66	0,16
UBI BANCA UNIONE DI BANCHE ITALIANE 5.875% PERP	in euros	1 000 000	995 123,99	0,81
UNICREDIT SPA 6.625% PERP	in euros	1 000 000	1 017 707,32	0,83
UNICREDIT 3.875% PERP EMTN	in euros	1 000 000	809 500,79	0,66
UNIPOL GRUPPO SPA EX UNIPOL SPA CIA 3.25% 23-09-30	in euros	1 200 000	1 215 949,64	0,99
<b>TOTAL ITALY</b>			<b>15 929 017,50</b>	<b>12,98</b>
<b>LUXEMBOURG</b>				
ALTICE FRANCE 8.0% 15-05-27	in euros	450 000	492 758,75	0,40
ARD FINANCE SA 5.0% 30-06-27	in euros	800 000	795 430,22	0,65
BANQUE INTLE A LUXEMBOURG 5.25% PERP	in euros	600 000	588 606,00	0,48
CRYSTAL ALMOND SA RL 4.25% 15-10-24	in euros	167 000	168 371,95	0,14
EURO SCIE 4.875% PERP	in euros	300 000	324 012,18	0,26
EUROFINS SCIENTIFIC 2.875% PERP	in euros	900 000	910 659,70	0,74
GESTAMP FUND LUX 3.5% 15-05-23	in euros	1 000 000	976 244,44	0,79
PLT VII FINANCE SA RL 4.625% 05-01 -26	in euros	1 000 000	1 029 558,89	0,84
ROSSINI SARL 6.75% 30-10-25	in euros	250 000	270 927,50	0,22
SOCIETE EUROPEENNE DES SATELLITES SA 5.625% PERP	in euros	1 000 000	1 098 971,07	0,89
ZF FINANCE 3.75% 21-09-28 EMTN	in euros	1 900 000	1 847 047,26	1,51
<b>TOTAL LUXEMBOURG</b>			<b>8 502 587,96</b>	<b>6,92</b>
<b>MEXICO</b>				
PETROLEOS MEXICANOS 2.5% 24-1 1-22	in euros	1 500 000	1 469 677,17	1,20
<b>TOTAL MEXICO</b>			<b>1 469 677,17</b>	<b>1,20</b>
<b>NETHERLANDS</b>				
ABN AMRO BK 4.375% PERP	in euros	500 000	501 104,32	0,41
FIAT CHRYSLER AUTOMOBILES NV 4.5% 07-07-28	in euros	1 500 000	1 727 431,54	1,41
GAS NATU FENO 4.125% 30-1 1 -49	in euros	100 000	107 444,79	0,09
MAXEDA DIY HOLDING BV 5.875% 01 -10-26	in euros	467 000	468 519,00	0,38
OCI NV 3.625% 15-10-25	in euros	100 000	100 000,00	0,08
REPSOL INTL FINANCE BV 4.247% PERP	in euros	750 000	776 319,93	0,63
TELEFONICA EUROPE BV 2.875% PERP	in euros	2 000 000	1 890 610,27	1,53
TEVA PHARMACEUTICAL FINANCE II BV 6.0% 31-01-25	in euros	1 625 000	1 687 649,17	1,37
VOLKSWAGEN INTERNATIONAL FINANCE NV 3.875% PERP	in euros	500 000	512 369,04	0,42
VOLKSWAGEN INTL FINANCE NV 3.875% PERP	in euros	1 300 000	1 324 471,97	1,08
VOLKSWAGEN INTL FINANCE NV 4.625% PERP	in euros	1 000 000	1 069 041,10	0,87
<b>TOTAL NETHERLANDS</b>			<b>10 164 961,13</b>	<b>8,27</b>
<b>PORTUGAL</b>				
BCP 3.871% 27-03-30 EMTN	in euros	1 500 000	1 370 024,03	1,12
BCP 4.5% 07-12-27 EMTN	in euros	2 000 000	1 998 270,49	1,63
BCP 9.25% PERP	in euros	1 000 000	905 025,60	0,74
BES FINANCE LTD EURIBOR 3 MOIS REV +2.65 3 1 /12/2099 DEFAULT	in euros	2 000 000	17 922,42	0,01
CAIXA GERAL DE DEPOSITOS 10.75% PERP	in euros	2 600 000	2 826 400,78	2,29

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
NOVO BAN 8.5% 06-07-28	in euros	2 000 000	1 742 756,30	1,42
<b>TOTAL PORTUGAL</b>			<b>8 860 399,62</b>	<b>7,21</b>
<b>UNITED KINGDOM</b>				
BP CAP MK 3.625% PERP	in euros	1 000 000	1 042 689,44	0,85
EG GLOBAL FINANCE 6.25% 30-10-25	in euros	1 350 000	1 386 455,25	1,13
EPHI HOLD II 8.25% 01-07-23	in euros	300 000	3 15 077,25	0,26
PIRAEUS GROUP FINANCE 9.75% 26-06-29	in euros	2 000 000	1 663 846,16	1,35
VIRGIN MEDIA FINANCE 3.75% 15-07-30	in euros	1 000 000	971 926,67	0,79
YULE CATTO AND 3.875% 01-07-25	in euros	250 000	258 408,99	0,21
<b>TOTAL UNITED KINGDOM</b>			<b>5 638 403,76</b>	<b>4,59</b>
<b>SWEDEN</b>				
ASSEMBLIN FINANCING E3R+5.0% 15-05-25	in euros	500 000	498 750,56	0,41
UNILABS SUBHOLDINGS AB 5.75% 15-05-25	in euros	600 000	617 674,17	0,50
<b>TOTAL SWEDEN</b>			<b>1 116 424,73</b>	<b>0,91</b>
<b>TOTAL bonds and similar securities traded on a regulated or equivalent market</b>			<b>111 189 947,28</b>	<b>90,52</b>
<b>TOTAL Bonds and similar securities</b>			<b>111 189 947,28</b>	<b>90,52</b>
<b>Undertakings for collective investment</b>				
<b>General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>				
<b>FRANCE</b>				
LAZARD EURO CORP HIGH YIELD PC EUR	in euros	1 200	2 076 840,00	1,69
LAZARD EURO SHORT DURATION HIGH YIELD PART EVC EUR	in euros	2 500	2 552 825,00	2,08
LAZARD GLOBAL HYBRID BONDS EV EUR	in euros	25	2 618 822,25	2,13
<b>TOTAL FRANCE</b>			<b>7 248 487,25</b>	<b>5,90</b>
<b>TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>			<b>7 248 487,25</b>	<b>5,90</b>
<b>TOTAL Undertakings for collective investment</b>			<b>7 248 487,25</b>	<b>5,90</b>
<b>Forward financial instruments</b>				
<b>Futures contracts</b>				
<b>Futures contracts on a regulated or equivalent market</b>				
XEUR FGBL BUN 1220	in euros	-600	-1 13 210,00	-0,09
<b>TOTAL Futures contracts on a regulated or equivalent market</b>			<b>-113 210,00</b>	<b>-0,09</b>
<b>TOTAL Futures contracts</b>			<b>-113 210,00</b>	<b>-0,09</b>
<b>TOTAL Forward financial instruments</b>			<b>-113 210,00</b>	<b>-0,09</b>
<b>Margin call</b>				
CACEIS MARGIN CALL	in euros	1 13 210	113 210,00	0,09
<b>TOTAL Margin call</b>			<b>113 210,00</b>	<b>0,09</b>
<b>Receivables</b>			<b>1 701 335,51</b>	<b>1,38</b>
<b>Liabilities</b>			<b>-8 184 768,03</b>	<b>-6,66</b>
<b>Financial accounts</b>			<b>10 889 813,47</b>	<b>8,86</b>
<b>Net assets</b>			<b>122 844 815,48</b>	<b>100,00</b>
LAZARD CREDIT OPPORTUNITIES PVC EUR	in euros	80,000	1 052,72	
LAZARD CREDIT OPPORTUNITIES PC EUR	in euros	60 119,671	1 241,59	
LAZARD CREDIT OPPORTUNITIES TC EUR	in euros	235,000	11 959,35	
LAZARD CREDIT OPPORTUNITIES RC EUR	in euros	25 213,047	577,21	
LAZARD CREDIT OPPORTUNITIES PD EUR	in euros	34 688,944	886,52	

• **ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS**

BREAKDOWN OF INTEREST

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	775 991,68	EUR	22,37	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	775 991,68	EUR	22,37	EUR

## TEXT OF RESOLUTIONS

### LAZARD FUNDS

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

Registered office: 121, Boulevard Haussmann, 75008 Paris, France

Paris Trade and Companies Register no. 484 947 627

### RESOLUTION CONCERNING THE ALLOCATION OF DISTRIBUTABLE INCOME PROPOSED TO THE ORDINARY GENERAL MEETING FOR THE LAZARD CREDIT OPPORTUNITES SUB-FUND

#### FINANCIAL YEAR ENDED 30 September 2020

#### Second resolution

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

**€3 015 685,57** distributable amount pertaining to net income;

**€8 703 860,80** distributable amount pertaining to net capital gains and losses.

and decides that they shall be allocated as follows:

#### I. Distributable amount relating to net income

- RC EUR shares: Accumulation: €300 513,10
- TC EUR shares: Accumulation: €64 277,68
- PC EUR shares: Accumulation: €1 872 677,16
- PVC EUR shares: Accumulation: €2 049,77
- PD EUR shares: Distribution: €775 991,68

Each shareholder holding "PD EUR" shares on the detachment date will receive a dividend of €22,37 which will be detached on January 20th, 2021 and paid on January 22nd, 2021.

#### 2. Distributable income relating to net capital gains and losses

- RC EUR shares: Accumulation: €1 032 843,32
- TC EUR shares: Accumulation: €199 078,82
- PC EUR shares: Accumulation: €5 277 535,34
- PVC EUR shares: Accumulation: €4 363,89
- PD EUR shares: Accumulation: €2 190 039,43

#### Distribution of income in previous years

#### Amount per 1 share

2019	€20,63 G share class
2018	€27,58 G share class
2017	€34,99 G share class

# **LAZARD EURO SHORT DURATION HIGH YIELD**

## Key Investor Information

This document provides essential information for investors in this sub-fund. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this sub-fund. You are advised to read it so you can make an informed decision about whether to invest.

# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0013506987 - RC EUR

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities  
**Investment objective:** The Fund aims to outperform the following composite benchmark index net of charges over a recommended investment period of three years: 30% ICE BofAML 1-3 Year Euro Corporate Index (ER01) + 70% BofA Merrill Lynch BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained (H1EC). The benchmark index is rebalanced every month and its components are expressed in euros, with dividends or net coupons reinvested.

**Investment policy:** To achieve this investment objective, the strategy involves dynamic management of interest rate risk, credit risk and currency risk by investing up to 100% of the net assets in risky bonds issued by governments, companies and institutions and financial structures rated speculative/high yield by Standard & Poor's or an equivalent rating based on the management company's analysis (i.e. a rating lower than BBB-). A maximum of 40% of the net assets may be invested in securities rated Investment Grade or the equivalent according to the management company's analysis. The manager may invest in unrated securities up to a maximum of 10% of the net assets.

Interest rate risk will be managed independently within a sensitivity range of 0 to 3.

To build the portfolio, the manager conducts their own analysis of euro-denominated bonds and negotiable debt securities, of any subordination rank, at fixed, variable or indexed rates, issued by companies, financial institutions and States. The bonds will have a maturity of up to 5 years (maturity date or call date) and the average duration of the portfolio will be around 2.

The Fund is invested as follows:

- up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any other currency;
- up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code and classified as money market with standard variable net asset value, short-term money market with variable net asset value, or bond funds. These UCIs may be managed by the management company;

- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in preference shares.

The sub-Fund will be exposed to emerging countries up to a maximum of 10% of the net assets.

The total exposure to equity risk may not exceed 10% of the net assets.

The sub-fund may use, up to 100% of the net assets, interest rate and currency futures, credit derivatives, interest rate and currency options, interest rate and currency swaps, currency forwards and credit derivatives traded on regulated, organised and/or OTC markets to hedge and/or expose the Sub-fund to interest rate, currency, credit and volatility risk.

Exchange rate risk will be hedged so that exposure thereto shall not exceed 10% of the assets.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

### Allocation of distributable income:

Allocation of net income: Accumulation

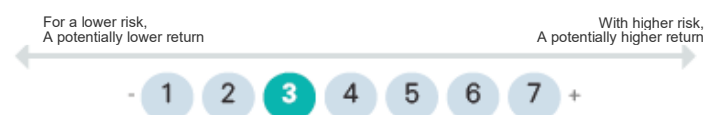
Allocation of net realised capital gains: Accumulation

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt and centralisation of redemption orders before 12.00 noon (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

## Risk and reward profile



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

### Other sizeable risks not taken into account in the indicator:

**Credit risk:** Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.

- **Derivatives risk:** The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

## Key Investor Information

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# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0013506995 - RVC EUR

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities  
**Investment objective:** The Fund aims to outperform the following composite benchmark index net of charges over a recommended investment period of three years: 30% ICE BofAML 1-3 Year Euro Corporate Index (ER01) + 70% BofA Merrill Lynch BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained (H1EC). The benchmark index is rebalanced every month and its components are expressed in euros, with dividends or net coupons reinvested.

**Investment policy:** To achieve this investment objective, the strategy involves dynamic management of interest rate risk, credit risk and currency risk by investing up to 100% of the net assets in risky bonds issued by governments, companies and institutions and financial structures rated speculative/high yield by Standard & Poor's or an equivalent rating based on the management company's analysis (i.e. a rating lower than BBB-). A maximum of 40% of the net assets may be invested in securities rated Investment Grade or the equivalent according to the management company's analysis. The manager may invest in unrated securities up to a maximum of 10% of the net assets.

Interest rate risk will be managed independently within a sensitivity range of 0 to 3.

To build the portfolio, the manager conducts their own analysis of euro-denominated bonds and negotiable debt securities, of any subordination rank, at fixed, variable or indexed rates, issued by companies, financial institutions and States. The bonds will have a maturity of up to 5 years (maturity date or call date) and the average duration of the portfolio will be around 2.

The Fund is invested as follows:

- up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any other currency;
- up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code and classified as money market with standard variable net asset value, short-term money market with variable net asset value, or bond funds. These UCIs may be managed by the management company;

- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in preference shares.

The sub-Fund will be exposed to emerging countries up to a maximum of 10% of the net assets.

The total exposure to equity risk may not exceed 10% of the net assets.

The sub-fund may use, up to 100% of the net assets, interest rate and currency futures, credit derivatives, interest rate and currency options, interest rate and currency swaps, currency forwards and credit derivatives traded on regulated, organised and/or OTC markets to hedge and/or expose the Sub-fund to interest rate, currency, credit and volatility risk.

Exchange rate risk will be hedged so that exposure thereto shall not exceed 10% of the assets.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

### Allocation of distributable income:

Allocation of net income: Accumulation

Allocation of net realised capital gains: Accumulation

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
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## Risk and reward profile



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

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**Credit risk:** Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.

- **Derivatives risk:** The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

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# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0013507001 - PD EUR

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities  
**Investment objective:** The Fund aims to outperform the following composite benchmark index net of charges over a recommended investment period of three years: 30% ICE BofAML 1-3 Year Euro Corporate Index (ER01) + 70% BofA Merrill Lynch BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained (H1EC). The benchmark index is rebalanced every month and its components are expressed in euros, with dividends or net coupons reinvested.

**Investment policy:** To achieve this investment objective, the strategy involves dynamic management of interest rate risk, credit risk and currency risk by investing up to 100% of the net assets in risky bonds issued by governments, companies and institutions and financial structures rated speculative/high yield by Standard & Poor's or an equivalent rating based on the management company's analysis (i.e. a rating lower than BBB-). A maximum of 40% of the net assets may be invested in securities rated Investment Grade or the equivalent according to the management company's analysis. The manager may invest in unrated securities up to a maximum of 10% of the net assets.

Interest rate risk will be managed independently within a sensitivity range of 0 to 3.

To build the portfolio, the manager conducts their own analysis of euro-denominated bonds and negotiable debt securities, of any subordination rank, at fixed, variable or indexed rates, issued by companies, financial institutions and States. The bonds will have a maturity of up to 5 years (maturity date or call date) and the average duration of the portfolio will be around 2.

The Fund is invested as follows:

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- up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code and classified as money market with standard variable net asset value, short-term money market with variable net asset value, or bond funds. These UCIs may be managed by the management company;

- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in preference shares.

The sub-Fund will be exposed to emerging countries up to a maximum of 10% of the net assets.

The total exposure to equity risk may not exceed 10% of the net assets.

The sub-fund may use, up to 100% of the net assets, interest rate and currency futures, credit derivatives, interest rate and currency options, interest rate and currency swaps, currency forwards and credit derivatives traded on regulated, organised and/or OTC markets to hedge and/or expose the Sub-fund to interest rate, currency, credit and volatility risk.

Exchange rate risk will be hedged so that exposure thereto shall not exceed 10% of the assets.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

### Allocation of distributable income:

Allocation of net income: distribution

Allocation of net realised capital gains: accumulation, distribution and/or retained

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

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## Risk and reward profile



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

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**Credit risk** : Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.

- **Derivatives risk**: The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

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# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0013507019 - PVC EUR

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities  
**Investment objective:** The Fund aims to outperform the following composite benchmark index net of charges over a recommended investment period of three years: 30% ICE BofAML 1-3 Year Euro Corporate Index (ER01) + 70% BofA Merrill Lynch BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained (H1EC). The benchmark index is rebalanced every month and its components are expressed in euros, with dividends or net coupons reinvested.

**Investment policy:** To achieve this investment objective, the strategy involves dynamic management of interest rate risk, credit risk and currency risk by investing up to 100% of the net assets in risky bonds issued by governments, companies and institutions and financial structures rated speculative/high yield by Standard & Poor's or an equivalent rating based on the management company's analysis (i.e. a rating lower than BBB-). A maximum of 40% of the net assets may be invested in securities rated Investment Grade or the equivalent according to the management company's analysis. The manager may invest in unrated securities up to a maximum of 10% of the net assets.

Interest rate risk will be managed independently within a sensitivity range of 0 to 3.

To build the portfolio, the manager conducts their own analysis of euro-denominated bonds and negotiable debt securities, of any subordination rank, at fixed, variable or indexed rates, issued by companies, financial institutions and States. The bonds will have a maturity of up to 5 years (maturity date or call date) and the average duration of the portfolio will be around 2.

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- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in preference shares.

The sub-Fund will be exposed to emerging countries up to a maximum of 10% of the net assets.

The total exposure to equity risk may not exceed 10% of the net assets.

The sub-fund may use, up to 100% of the net assets, interest rate and currency futures, credit derivatives, interest rate and currency options, interest rate and currency swaps, currency forwards and credit derivatives traded on regulated, organised and/or OTC markets to hedge and/or expose the Sub-fund to interest rate, currency, credit and volatility risk.

Exchange rate risk will be hedged so that exposure thereto shall not exceed 10% of the assets.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

### Allocation of distributable income:

Allocation of net income: Accumulation

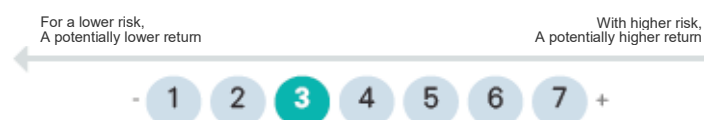
Allocation of net realised capital gains: Accumulation

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

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## Risk and reward profile



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

### Other sizeable risks not taken into account in the indicator:

**Credit risk:** Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.

- **Derivatives risk:** The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

## Key Investor Information

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# LAZARD CREDIT OPPORTUNITIES

## A sub-fund of the LAZARD FUNDS SICAV

LAZARD FRÈRES GESTION SAS

FR0013507027 - EVC EUR

## Investment objective and policy

**Classification of the sub-fund:** International bonds and other debt securities  
**Investment objective:** The Fund aims to outperform the following composite benchmark index net of charges over a recommended investment period of three years: 30% ICE BofAML 1-3 Year Euro Corporate Index (ER01) + 70% BofA Merrill Lynch BB-CCC 1-3 Year Euro Developed Markets High Yield Constrained (H1EC). The benchmark index is rebalanced every month and its components are expressed in euros, with dividends or net coupons reinvested.

**Investment policy:** To achieve this investment objective, the strategy involves dynamic management of interest rate risk, credit risk and currency risk by investing up to 100% of the net assets in risky bonds issued by governments, companies and institutions and financial structures rated speculative/high yield by Standard & Poor's or an equivalent rating based on the management company's analysis (i.e. a rating lower than BBB-). A maximum of 40% of the net assets may be invested in securities rated Investment Grade or the equivalent according to the management company's analysis. The manager may invest in unrated securities up to a maximum of 10% of the net assets.

Interest rate risk will be managed independently within a sensitivity range of 0 to 3.

To build the portfolio, the manager conducts their own analysis of euro-denominated bonds and negotiable debt securities, of any subordination rank, at fixed, variable or indexed rates, issued by companies, financial institutions and States. The bonds will have a maturity of up to 5 years (maturity date or call date) and the average duration of the portfolio will be around 2.

The Fund is invested as follows:

- up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any other currency;
- up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code and classified as money market with standard variable net asset value, short-term money market with variable net asset value, or bond funds. These UCIs may be managed by the management company;
- up to a maximum of 10% of the net assets will be invested in convertible bonds;
- a maximum of 50% of net assets will be invested in perpetual subordinated debt, including a maximum of 30% of net assets in contingent convertible bonds (CoCos);
- up to a maximum of 5% of the net assets will be invested in equities.

preferential.

The sub-Fund will be exposed to emerging countries up to a maximum of 10% of the net assets.

The total exposure to equity risk may not exceed 10% of the net assets.

The sub-fund may use, up to 100% of the net assets, interest rate and currency futures, credit derivatives, interest rate and currency options, interest rate and currency swaps, currency forwards and credit derivatives traded on regulated, organised and/or OTC markets to hedge and/or expose the Sub-fund to interest rate, currency, credit and volatility risk.

Exchange rate risk will be hedged so that exposure thereto shall not exceed 10% of the assets.

The Sub-Fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

The subscription period for the EVC EUR shares will close after cut-off on December 31st, 2020. From that date, only subscriptions preceded by a redemption received from the same investor on the same day for the same number of shares at the same NAV may be executed. The Board of Directors may decide to extend the subscription period. The subscription period for the EVC EUR shares will close after cut-off on December 31st, 2020. From that date, only subscriptions preceded by a redemption received from the same investor on the same day for the same number of shares at the same NAV may be executed. The Board of Directors may decide to extend the subscription period.

### Allocation of distributable income:

Allocation of net income: Accumulation

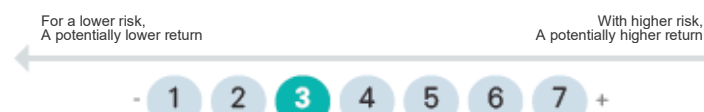
Allocation of net realised capital gains: Accumulation

**Recommended investment period:** This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

**Right of redemption:** Orders are executed in accordance with the table below:

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## Risk and reward profile



### Description of the indicator and its main limitations:

The exposure to interest rate and currency risk explains the Sub-Fund's classification in this category.

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**Credit risk:** Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.

- **Derivatives risk:** The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

## 9. CHANGES AFFECTING THE SUB-FUND

### CHANGES WHICH TOOK PLACE DURING THE PERIOD OR ARE STILL TO TAKE PLACE

The Board of Directors of the **LAZARD FUNDS** SICAV (*SICAV with sub-funds*) on July 20th, 2020 decided:

The creation of a second sub-fund, "LAZARD EURO SHORT DURATION HIGH YIELD", in the LAZARD FUNDS SICAV with sub-funds.

➤ **Start date: 01/07/2020**

- Modification of the investment policy, namely: "Investment of up to 50% of net assets in perpetual subordinated debt, including up to 30% in contingent convertible bonds (CoCo bonds)."

➤ **Effective date: 01/07/2020**

## **Corporate governance (CSR) section**

### **I. List of appointments**

Please refer to the information on page 16.

## II. Directors' fees

Please refer to the information on page 17.

"At the date of preparation of the management report and in the context of uncertainty linked to the Covid-19 health crisis, the events listed below have not occurred:

- significant events occurring during the financial year such as changes in the methods of applying accounting methods (implementation of model valuation, activation of gates, suspension of NAV).
- other elements such as information relating to possible situations of suspension of subscriptions/redemptions, liquidation of funds or creation of a ring-fencing fund."

## PERFORMANCE

**Since inception, the sub-fund's shares have performed as follows:**

**PVC shares: 2,24%,  
EVC shares: 2,26%,  
PD shares: 2,24%,  
RC shares: 2,21%,  
RVC shares: 2,27%.**

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

**The benchmark's\* performance over the period was as follows: 2,06%.**

(\*) 30% EROI +70% HIEC

## ECONOMIC ENVIRONMENT

While the dissipation of Sino-American trade tensions had allowed the world economy to begin a recovery in the second half of 2019, this movement was abruptly halted by the outbreak of the coronavirus epidemic in the first quarter of 2020. The epidemic, which was initially limited to China, then turned into a pandemic. To contain it, many countries adopted lockdown measures and closed their borders to varying degrees, leading to a drastic economic and financial shock. This context has led central banks and public authorities to take support measures on an unprecedented scale. The improvement in the health situation enabled a gradual lifting of restrictions from mid-February in China and from the end of April in the United States and Europe, enabling a strong rebound in global activity from May onwards. The process of reopening the US economy was interrupted by a resumption of the epidemic between mid-June and end-July. In Europe, the end of the lockdown was followed by a resumption of the epidemic from mid-August, leading to new targeted and localised restriction measures.

In the United States, GDP fell by 9,0% year-on-year in Q2 2020. The composite PMI fell rose from 51,0 to 54,3 over twelve months, with a low of 27,0 in May. The unemployment rate rose from 3,7% to 7,9% with a peak of 14,7% in April. Consumption fell by 3,2% year-on-year and the savings rate reached 14,1% of disposable income in September. Year-on-year inflation slowed from +1,7% to +1,3% in headline terms and from +2,4% to +1,7% excluding food and energy. The Federal Reserve announced a raft of support measures: a cumulative cut in its key rate by 150 basis points to 0%-0,25%, an unlimited purchasing programme for Treasuries and mortgage-backed securities, a programme of loans for businesses and local authorities. In September, Jerome Powell said that the Fed would tolerate inflation in excess of 2% to compensate for periods of lower inflation. US Congress adopted an unprecedented fiscal stimulus plan equivalent to 10,7% of GDP.

In the Eurozone, GDP declined by -14,7% year-on-year in Q2 2020. The decline was more pronounced in countries with the strictest lockdown measures: -18,9% in France, -18,0% in Italy, -21,5% in Spain compared to -11,3% in Germany. The Eurozone composite PMI rose from 50,1 to 50,4 over twelve months, with a low of 13,6 in April. The unemployment rate in the Eurozone hit a record low of 7,2% in March before rising gradually to 8,1% in August. Year-on-year inflation slowed from +0,8% to -0,3% in headline terms and from +1,0% to +0,2% excluding food and energy. The ECB announced a €120bn increase in its asset purchase programme (APP), a new €1 350bn purchase programme (PEPP) and an increase in its TLTRO loans. In July, EU countries reached an agreement on a European recovery plan of €750 billion, equivalent to 5,4% of GDP.

## MANAGEMENT POLICY

In the third quarter of 2020, the faster-than-expected rebound in activity led to an upward revision of growth forecasts for 2020. The massive fiscal and monetary response enabled the credit market rebound to continue. Default rates in Europe rose to 3.9% in late September, without being expected to reach 2008 levels. Demand for credit remains strong for investment grade credit.

In high yield, investors still seem hesitant but the attractive level of premiums should prompt them to return to the asset class. Lazard Euro Short duration High Yield generated a good performance over the period thanks to the aggressive positioning on credit via high yield and subordinated bonds.

### Main changes in the portfolio during the year

Securities	Movements ("Accounting currency")	
	Purchases	Sales
TELE ITA 3.25% 16-01-23 EMTN	212 381,37	215 292,13
BNP PARIBAS FIX PERP	419 549,86	0,00
NYKR REAL AS 6.25% PERP	204 072,40	206 200,82
CROWN EU H LD 2.25% 01-02-23	203 260,00	204 111,25
HSBC HOLDINGS PLC 5.25% PERP	203 860,05	200 233,04
IBERCAJA 7.0% PERP	185 384,62	182 951,09
CASINO 1.865% 13-06-22 EMTN	192 963,15	88 924,10
F 1.134 02/10/22	261 565,64	0,00
AUTO PER L IT 1.625% 12-06-23	246 319,55	0,00
FIAT FIN 4.75% 15-07-22 EMTN	240 447,38	0,00

### Transparency of securities financing transactions and the reuse of financial instruments - SFTR - in the sub-fund's accounting currency (€)

The sub-fund carried out no transactions during the year in the context of the SFTR.

- **EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVE FINANCIAL INSTRUMENTS**

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

- Exposure through efficient management techniques:
  - o **Securities lending:**
  - o **Securities borrowing:**
  - o **Repurchase agreements:**
  - o **Reverse repurchase agreements:**
- Underlying exposure through derivative financial instruments:
  - o Forward foreign exchange :
  - o **Futures:**
  - o **Options:**
  - o **Swap:**

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

Efficient portfolio management techniques	Derivative financial instruments (*)

(\*) Excluding listed derivatives

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

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

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

d) Operating income and expenses related to efficient management techniques

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

(\*\*\*) Income on securities lending and repurchase agreements

## 11. REGULATORY INFORMATION

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

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

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

### • BROKERAGE FEES

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

### • EXERCISING VOTING RIGHTS

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

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

### • COMMUNICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE 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.

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

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 extra-financial criteria:
  - Social criteria: through the development of human capital.
  - Environmental criteria: through the prevention of all environmental risks.
  - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

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

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

### • 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 sub-fund's annual financial statements.

#### • METHOD USED TO CALCULATE GLOBAL RISK

The sub-fund uses the commitment method to calculate its global risk on financial contracts.

#### • SWING PRICING

In order to protect the shareholders remaining in the sub-fund, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the sub-fund's outstandings, which may generate costs for holders entering and leaving the Sub-fund that would otherwise have been allocated across all holders in the sub-fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of sub-fund units or shares exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the net assets in the sub-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 or share category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each unit or share category in the sub-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 sub-fund.

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

#### • INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE (FOR DISTRIBUTING UCIs)

Pursuant to the provisions of Article 41 sexdecies H of the French General Tax Code, income on distributing shares is subject to an allowance of 40%.

#### • REMUNERATION

The fixed and variable remuneration paid during the financial year ended on December 31st, 2019 by the management company to its personnel, pro rata their investment in the management of the AIFs, excluding the management of the UCITS and discretionary mandates, can be obtained on request by post from the UCI legal department of Lazard Frères Gestion, and are indicated 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 its earnings into account. 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 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.

**Population at 31/12/2019: Fixed-term and permanent contracts at LFG and LFG-Belgium (i.e. excluding interns and trainees and excluding LFG-Courtage)**

Headcount at 31/12/2019 LFG, LFG-Belgique	Fixed annual remuneration 2019 in €	Variable remuneration for 2019 (cash paid in 2020 and deferred in 2020) in €
174	15 947 054	19 567 356

**Identified employees"**

Category	Number of employees	Aggregated fixed and variable remuneration 2019 (including deferred) in euros
Senior management	3	4 100 006
Other	48	18 940 465
<b>Total</b>	<b>51</b>	<b>23 040 471</b>

**Note:** the amounts are unloaded

**• OTHER INFORMATION**

The sub-fund's complete prospectus and the most recent annual and interim reports will be sent out within one week of request made in writing by the shareholder to:

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

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

## • BALANCE SHEET

in euros

## ASSETS

	30/09/2020
<b>Net non-current assets</b>	
<b>Deposits</b>	
<b>Financial instruments</b>	<b>10 742 527,12</b>
<b>Equities and similar securities</b>	
Traded on a regulated or equivalent market	
Not traded on a regulated or equivalent market	
<b>Bonds and similar securities</b>	<b>10 742 527,12</b>
Traded on a regulated or equivalent market	10 742 527,12
Not traded on a regulated or equivalent market	
<b>Debt securities</b>	
Traded on a regulated or equivalent market	
Negotiable debt securities	
Other debt securities	
Not traded on a regulated or equivalent market	
<b>Undertakings for collective investment</b>	
General UCITS and general AIFs intended for non-professionals and equivalents in other countries	
Other funds aimed at non-professionals and their equivalent of other EU member states	
General purpose funds aimed at professional investors and their equivalent in other EU Member States and listed securitisation vehicles	
Other funds aimed at professional investors and their equivalent of other EU Member States and non-EU securitisation vehicles listed	
Other non-European entities	
<b>Temporary securities transactions</b>	
Receivables on securities purchased under repurchase agreements	
Receivables on loaned securities	
Borrowed securities	
Securities sold under repurchase agreements	
Other temporary transactions	
<b>Forward financial instruments</b>	
Transactions on a regulated or equivalent market	
Other transactions	
<b>Other financial instruments</b>	
<b>Receivables</b>	<b>12 266,67</b>
<b>Currency forward exchange transactions</b>	
<b>Other</b>	<b>12 266,67</b>
<b>Financial accounts</b>	<b>996 417,43</b>
<b>Cash and cash equivalents</b>	<b>996 417,43</b>
<b>Total assets</b>	<b>11 751 211,22</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	30/09/2020
<b>Shareholders' equity</b>	
<b>Share capital</b>	<b>10 632 626,76</b>
<b>Undistributed net capital gains and losses recognised in previous years (a)</b>	
<b>Retained earnings (a)</b>	
<b>Net capital gains and losses for the year (a, b)</b>	<b>121 105,68</b>
<b>Net income for the year (a, b)</b>	<b>102 524,92</b>
<b>Total shareholders' equity (= amount representing net assets)</b>	<b>10 856 257,36</b>
<b>Financial instruments</b>	
<b>Sales of financial instruments</b>	
<b>Temporary securities transactions</b>	
Liabilities on securities sold under repurchase agreements	
Liabilities on borrowed securities	
Other temporary transactions	
<b>Forward financial instruments</b>	
Transactions on a regulated or equivalent market	
Other transactions	
<b>Liabilities</b>	<b>894 953,86</b>
<b>Currency forward exchange transactions</b>	
<b>Other</b>	<b>894 953,86</b>
<b>Financial accounts</b>	
<b>Bank overdrafts</b>	
<b>Borrowings</b>	
<b>Total liabilities and shareholders' equity</b>	<b>11 751 21 ,22</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year

• OFF-BALANCE SHEET ITEMS in *euros*

	30/09/2020
<b>Hedging transactions</b>	
Commitments on regulated or similar markets	
Commitments on OTC markets	
Other commitments	
<b>Other transactions</b>	
Commitments on regulated or similar markets	
Commitments on OTC markets	
Other commitments	

• **INCOME STATEMENT in euros**

	30/09/2020
<b>Income from financial transactions</b>	
Income from deposits and financial accounts	
Income from equities and similar securities	
Income from bonds and similar securities	113 547,16
Income from debt securities	
Income from temporary purchases and sales of securities	
Income from forward financial instruments	
Other financial income	
<b>Total (1)</b>	<b>1 13 547,16</b>
<b>Expenses related to financial transactions</b>	
Expenses related to temporary purchases and sales of securities	
Expenses related to forward financial instruments	
Expenses related to financial liabilities	9,55
Other financial charges	
<b>Total (2)</b>	<b>9,55</b>
<b>Income from financial transactions (1 - 2)</b>	<b>113 537,61</b>
Other income (3)	
Management fees and depreciation and amortisation (4)	11 404,91
<b>Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>102 132,70</b>
Income adjustment for the financial year (5)	392,22
Interim dividends paid on net income for the financial year (6)	
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>102 524,92</b>

The annual financial statements are presented in accordance with French accounting regulation ANC 2017-05 which amends ANC regulation 2014-01 on the chart of accounts for open-end collective investment undertakings.

The general accounting principles apply:

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The first financial year has an exceptional duration of 3 months.

### Information on the impact of the COVID-19 crisis

The financial statements were approved by the Board of Directors on the basis of available information in the context of the evolving Covid-19 crisis.

### Asset valuation rules

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

o **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).

#### o **Fixed-income securities:**

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

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

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

Financial instruments whose prices have not been determined on the valuation 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:

#### o **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, OISs and BTFs - 3 - 6 - 9 - 12 months BTANs - 18 months, 2 - 3 - 4 - 5 years	Official key rates in the relevant countries

**- Negotiable debt securities with a residual maturity of three months or less:**

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

**o UCIs:**

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

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

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

Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (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.

**o Futures and options:**

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

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

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

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

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

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

The commitment value for futures contracts is equal to the price (in the SICAV's currency) multiplied by the number of contracts multiplied by the face value.

The commitment value for options is equal to the price of the underlying security (in the SICAV's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.

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

**Swing Pricing**

The management company has been applying a swing pricing adjustment to the net asset value with a trigger level since September 5th, 2016. Unitholders can consult information on this mechanism in the SICAV's prospectus, which is available at the management company's head office and on its website.

**Management fees**

Management fees are calculated on each valuation day.

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

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

- 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:

<b>Expenses charged to the SICAV</b>	<b>Basis</b>	<b>Rate</b>	
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion SAS	RC EUR shares: 0,835% incl. taxes RVC EUR shares: 0,535% incl. taxes PD EUR shares: 0,435% incl. taxes PVC EUR shares: 0,285% incl. taxes EVC EUR shares: 0,185% incl. taxes (maximum)	
Administrative fees external to the management company	Net assets	Maximum 0,035%	
Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Bonds, foreign exchange	0% to 0,005%, incl. tax
		Futures and other transactions	From €0 to €450 incl. taxes per contract
Performance fee	N. A.	None	

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:**

<b>Share(s)</b>	<b>Allocation of net income</b>	<b>Allocation of net realised capital gains or losses</b>
LAZARD EURO SHORT DURATION HIGH YIELD EVC EUR shares	Accumulation	Accumulation
LAZARD EURO SHORT DURATION HIGH YIELD PD EUR shares	Distribution	Accumulation and/or Distribution and/or Retention
LAZARD EURO SHORT DURATION HIGH YIELD PVC EUR shares	Accumulation	Accumulation
LAZARD EURO SHORT DURATION HIGH YIELD RC EUR shares	Accumulation	Accumulation
LAZARD EURO SHORT DURATION HIGH YIELD RVC EUR shares	Accumulation	Accumulation

• **CHANGE IN NET ASSETS in euros**

	30/09/2020
<b>Net assets at start of year</b>	10 624 277,90
Subscriptions (including subscription fees retained by the Fund)	
Redemptions (net of redemption fees retained by the Fund)	-6 064,48
Realised capital gains on deposits and financial instruments	37 346,97
Realised capital losses on deposits and financial instruments	-17 475,26
Realised capital gains on forward financial instruments	1 453 546,53
Realised capital losses on forward financial instruments	-1 351 813,87
Transaction charges	-693,10
Exchange rate differences	14 999,97
Changes in valuation difference of deposits and financial instruments	
Valuation difference for financial year N	14 999,97
Valuation difference for financial year N-1	
Changes in valuation difference of forward financial instruments	
Valuation difference for financial year N	
Valuation difference for financial year N-1	
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	102 132,70
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	
<b>Net assets at end of year</b>	<b>10 856 257,36</b>

• BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount:	%
<b>Assets</b>		
<b>Bonds and similar securities</b>		
Fixed-rate bonds traded on a regulated or similar market	10 467 597,21	96,42
Variable/adjustable rate bonds traded on a regulated or equivalent market	274 929,91	2,53
<b>TOTAL Bonds and similar securities</b>	<b>10 742 527,12</b>	<b>98,95</b>
<b>Debt securities</b>		
<b>TOTAL Debt securities</b>		
<b>Liabilities</b>		
<b>Sales of financial instruments</b>		
<b>TOTAL Sales of financial instruments</b>		
<b>Off-balance sheet items</b>		
<b>Hedging transactions</b>		
<b>TOTAL Hedging transactions</b>		
<b>Other transactions</b>		
<b>TOTAL Other transactions</b>		

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
<b>Assets</b>								
Deposits								
Bonds and similar securities	10 467 597,21	96,42			274 929,91	2,53		
Debt securities								
Temporary securities transactions								
Financial accounts							996 417,43	9,18
<b>Liabilities</b>								
Temporary securities transactions								
Financial accounts								
<b>Off-balance sheet items</b>								
Hedging transactions								
Other transactions								

• BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY

	< 3 months	%	3 months- 1 year	%	1-3 years	%	3-5 years	%	> 5 years	%
<b>Assets</b>										
Deposits										
Bonds and similar securities					2 834 346,12	26,11	962 178,63	8,86	6 946 002,37	63,98
Debt securities										
Temporary securities transactions										
Financial accounts	996 417,43	9,18								
<b>Liabilities</b>										
Temporary securities transactions										
Financial accounts										
<b>Off-balance sheet items</b>										
Hedging transactions										
Other transactions										

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

• BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY

	Amount:	%	Amount:	%	Amount:	%	Other currencies Amount:	%
<b>Assets</b>								
Deposits								
Equities and similar securities								
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables								
Financial accounts								
<b>Liabilities</b>								
Sales of financial instruments								
Temporary securities transactions								
Financial accounts								
<b>Off-balance sheet items</b>								
Hedging transactions								
Other transactions								

• RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	30/09/2020
Receivables	Coupons and dividends in cash	12 266,67
<b>Total receivables</b>		<b>12 266,67</b>
Liabilities	Deferred settlement purchase	887 220,80
	Management fees	2 754,40
	Variable management fees	4 978,66
<b>Total liabilities</b>		<b>894 953,86</b>
<b>Total liabilities and receivables</b>		<b>-882 687,19</b>

• **NUMBER OF SECURITIES ISSUED OR REDEEMED**

	In equity	In amounts
<b>RC EUR shares</b>		
Shares subscribed during the financial year	1,000	100,00
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	100,00
Number of shares outstanding at the end of the financial year	1,000	
<b>RVC EUR shares:</b>		
Shares subscribed during the financial year	1,000	100,00
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	100,00
Number of shares outstanding at the end of the financial year	1,000	
<b>PVC EUR shares:</b>		
Shares subscribed during the financial year	5 622,000	5 623 077,90
Shares redeemed during the financial year	-6,000	-6 064,48
Net balance of subscriptions/redemptions	5 616,000	5 617 013,42
Number of shares outstanding at the end of the financial year	5 616,000	
<b>EVC EUR shares:</b>		
Shares subscribed during the financial year	5 000,000	5 000 000,00
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	5 000,000	
Number of shares outstanding at the end of the financial year	5 000,000	5 000 000,00
<b>PD EUR shares:</b>		
Shares subscribed during the financial year	1,000	1 000,00
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	1 000,00
Number of shares outstanding at the end of the financial year	1,000	

• **SUBSCRIPTION AND/OR REDEMPTION FEES**

	In amounts
<b>RC EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
<b>RVC EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
<b>PVC EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
<b>EVC EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
<b>PD EUR shares</b>	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	

• **MANAGEMENT FEES**

	30/09/2020
<b>RC EUR shares</b>	
Guarantee fees	
Fixed management fees	0,13
Percentage of fixed management fees	0,51
Variable management fees	
Retrocessions of management fees	
<b>RVC EUR shares</b>	
Guarantee fees	
Fixed management fees	
Percentage of fixed management fees	
Variable management fees	0,06
Retrocessions of management fees	
<b>PVC EUR shares</b>	
Guarantee fees	
Fixed management fees	4 061,43
Percentage of fixed management fees	0,29
Variable management fees	2 503,84
Retrocessions of management fees	
<b>EVC EUR shares</b>	
Guarantee fees	
Fixed management fees	2 363,64
Percentage of fixed management fees	0,19
Variable management fees	2 474,76
Retrocessions of management fees	
<b>PD EUR shares</b>	
Guarantee fees	
Fixed management fees	1,05
Percentage of fixed management fees	0,41
Variable management fees	
Retrocessions of management fees	

• **COMMITMENTS RECEIVED AND GIVEN**

**Guarantees received by the sub-fund:**

None.

**Other commitments received and/or given:**

None.

• **PRESENT VALUE OF SECURITIES HELD TEMPORARILY**

	30/09/2020
Securities held under repurchase agreements	
Borrowed securities	

• **PRESENT VALUE OF SECURITIES REPRESENTING SECURITY DEPOSITS**

	30/09/2020
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

• **GROUP FINANCIAL INSTRUMENTS HELD IN THE PORTFOLIO**

	ISIN code	Description	30/09/2020
Equities			
Bonds			
Negotiable debt securities			
UCIs			
Forward financial instruments			
<b>Total group securities</b>			

• TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME PERTAINING TO NET INCOME

	30/09/2020
<b>Remaining amounts to be allocated</b>	
Retained earnings	
Net income	102 524,92
<b>Total</b>	<b>102 524,92</b>

	30/09/2020
<b>RC EUR shares</b>	
<b>Appropriation</b>	
Distribution	
Balance brought forward for the financial year	
Accumulation	0,95
<b>Total</b>	<b>0,95</b>

	30/09/2020
<b>RVC EUR shares</b>	
<b>Appropriation</b>	
Distribution	
Balance brought forward for the financial year	
Accumulation	1,02
<b>Total</b>	<b>1,02</b>

	30/09/2020
<b>PVC EUR shares</b>	
<b>Appropriation</b>	
Distribution	
Balance brought forward for the financial year	
Accumulation	53 681,73
<b>Total</b>	<b>53 681,73</b>

	30/09/2020
<b>EVC EUR shares</b>	
<b>Appropriation</b>	
Distribution	
Balance brought forward for the financial year	
Accumulation	48 831,55
<b>Total</b>	<b>48 831,55</b>

	30/09/2020
<b>PD EUR shares</b>	
<b>Appropriation</b>	
Distribution	9,67
Balance brought forward for the financial year	
Accumulation	
<b>Total</b>	<b>9,67</b>
<b>Information on shares with dividend rights</b>	
Number of shares	1,000
Dividend per share	9,67
<b>Tax credits</b>	
Tax credit attached to the distribution of earnings	

• TABLE OF ALLOCATION OF DISTRIBUTABLE AMOUNTS PERTAINING TO NET CAPITAL GAINS AND LOSSES

	30/09/2020
<b>Remaining amounts to be allocated</b>	
Undistributed net capital gains and losses recognised in previous years	
Net capital gains and losses for the year	121 105,68
Interim dividends paid on net capital gains/losses for the financial year	
<b>Total</b>	<b>121 105,68</b>

	30/09/2020
<b>RC EUR shares</b>	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	1,15
<b>Total</b>	<b>1,15</b>

	30/09/2020
<b>RVC EUR shares</b>	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	1,15
<b>Total</b>	<b>1,15</b>

	30/09/2020
<b>PVC EUR shares</b>	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	64 053,95
<b>Total</b>	<b>64 053,95</b>

	30/09/2020
<b>EVC EUR shares</b>	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	57 038,01
<b>Total</b>	<b>57 038,01</b>

	30/09/2020
<b>PD EUR shares</b>	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	11,42
<b>Total</b>	<b>11,42</b>

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

	30/09/2020
<b>Global net assets in euros</b>	<b>10 856 257,36</b>
<b>LAZARD EURO SHORT DURATION HIGH YIELD PART RC EUR</b>	
Net assets in euros	102,21
Number of shares	1,000
Net asset value per share in EUR	102,21
Accumulation per share pertaining to net capital gains/losses in euros	1,15
Accumulation per share pertaining to net income in euros	0,95
<b>LAZARD EURO SHORT DURATION HIGH YIELD PART RVC EUR</b>	
Net assets in euros	102,27
Number of shares	1,000
Net asset value per share in EUR	102,27
Accumulation per share pertaining to net capital gains/losses in euros	1,15
Accumulation per share pertaining to net income in euros	1,02
<b>LAZARD EURO SHORT DURATION HIGH YIELD PART PVC EUR</b>	
Net assets in euros	5 741 898,75
Number of shares	5 616,000
Net asset value per share in EUR	1 022,41
Accumulation per share pertaining to net capital gains/losses in euros	11,40
Accumulation per share pertaining to net income in euros	9,55
<b>LAZARD EURO SHORT DURATION HIGH YIELD PART EVC EUR</b>	
Net assets in euros	5 113 131,70
Number of shares	5 000,000
Net asset value per share in EUR	1 022,62
Accumulation per share pertaining to net capital gains/losses in euros	11,40
Accumulation per share pertaining to net income in euros	9,76

\* Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

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

	30/09/2020
<b>Global net assets in euros</b>	<b>10 856 257,36</b>
<b>LAZARD EURO SHORT DURATION HIGH YIELD PART PD EUR</b>	
Net assets in euros	1 022,43
Number of shares	1,000
Net asset value per share in EUR	1 022,43
Accumulation per share pertaining to net capital gains/losses in euros	11,42
Distribution per share pertaining to net income in euros	9,67
Tax credit per share (*)	*

\* Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

• INVENTORY in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
<b>Bonds and similar securities</b>				
<b>Bonds and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
DEUTSCHE BANK 6% 3 1/12/2099	in euros	100 000	92 612,95	0,85
DEUTSCHE PFANDBRIEFBANK AG 2.875% 28-06-27	in euros	100 000	98 826,66	0,91
K + S AG 3% 20/06/2022	in euros	100 000	99 360,79	0,92
LANDESBANK BADEN WUERT 2.875% 27/05/2026	in euros	100 000	100 622,22	0,93
LANXESS FINANCE 4.5% 06-12-76	in euros	100 000	107 448,79	0,99
NIDDA HEALTHCARE HOLDING 3.5% 30-09-24	in euros	100 000	97 855,44	0,90
THYSSENKRUPP AG 1.375% 03-03-22	in euros	100 000	98 591,40	0,91
ZF NA CAPITAL 2.75% 27-04-23	in euros	100 000	101 140,41	0,93
<b>TOTAL GERMANY</b>			<b>796 458,66</b>	<b>7,34</b>
<b>CANADA</b>				
VALEANT PHARMACEUTICALS INTERNATIONAL IN 4.5% 15-05- 23	in euros	200 000	202 281,00	1,86
<b>TOTAL CANADA</b>			<b>202 281,00</b>	<b>1,86</b>
<b>CYPRUS</b>				
BANK OF CYPRUS PUBLIC COMPANY 9.25% 19-01-27	in euros	100 000	103 490,72	0,95
<b>TOTAL CYPRUS</b>			<b>103 490,72</b>	<b>0,95</b>
<b>DENMARK</b>				
DANSKE BA 5.875% PERP EMTN	in euros	200 000	212 442,58	1,96
<b>TOTAL DENMARK</b>			<b>212 442,58</b>	<b>1,96</b>
<b>SPAIN</b>				
ABANCA CORPORACION BANCARIA 7.5% PERP	in euros	200 000	187515,00	1,73
BANCO BILBAO VIZCAYA ARGENTARIA SA 5.875% PERP	in euros	200 000	198715,24	1,83
BANCO DE BADELL 5.375% 12-12-28	in euros	100 000	107 228,81	0,99
BANCO DE SABADELL SA 6.5% PERP	in euros	200 000	181 747,67	1,67
BANKIA SA 6.0% PERP	in euros	200 000	204 934,26	1,88
BCO SANT CENT HIS 6.25% PERP	in euros	100 000	100 474,58	0,93
G RU PO ANTOLIN IRAU 3.25% 30-04-24	in euros	100 000	86 543,22	0,80
INTL CONSOLIDATED AIRLINES GROU 0.5% 04-07-23	in euros	100 000	80 509,79	0,74
LIBERBANK SA 6.875% 14-03-27	in euros	100 000	109 665,79	1,01
<b>TOTAL SPAIN</b>			<b>1 257 334,36</b>	<b>11,58</b>
<b>UNITED STATES OF AMERICA</b>				
FORD MOTOR CREDIT CO 3.021% 06-03-24	in euros	200 000	200 031,22	1,84
FORD MOTOR CREDIT 3.25% 15-09-25	in euros	100 000	97 744,37	0,90
<b>TOTAL UNITED STATES OF AMERICA</b>			<b>297 775,59</b>	<b>2,74</b>
<b>FRANCE</b>				
AUTODIS E3R+5.5% 01-05-22	in euros	100 000	78 785,58	0,73
BNP PARIBAS FIX PERP	in euros	400 000	427 800,57	3,93
BURGER KING FRANCE SAS E3R+5.25% 01-05-23	in euros	100 000	98 648,50	0,91
CASA 6.50% PERP	in euros	100 000	102 666,21	0,95
CASINO 1.865% 13-06-22 EMTN	in euros	100 000	94 454,66	0,87
CMACGM 6.5% 15/07/2022	in euros	100 000	100716,78	0,93
EDF 4.0% PERP	in euros	200 000	217 448,28	2,00
FAURECIA 2.625% 15-06-25	in euros	100 000	99 596,71	0,92

Description of security	Currency	Quantity No. or nominal	Present value	% Net Assets
GROUPAMA ASSURANCES MUTUELLES SA 6.375% PERP	in euros	100 000	1 14 484,65	1,05
GROUPE DANONE 1.75% PERP EMTN	in euros	100 000	100 916,25	0,93
LOXAM 3.5% 03/05/2023	in euros	100 000	98 378,78	0,91
PICARD GROUPE E3R+3.0% 30-11-23	in euros	100 000	97 495,83	0,90
RENAULT 1.25% 24-06-25 EMTN	in euros	200 000	185 334,93	1,71
SG 6.75% 31/12/2099	in euros	100 000	104 693,29	0,96
SOLVAY FINANCE 5.425% 31/12/99	in euros	200 000	227 434,56	2,09
UNIBAIL RODAMCO SE 2.125% PERP	in euros	100 000	91 780,46	0,85
<b>TOTAL FRANCE</b>			<b>2 240 636,04</b>	<b>20,64</b>
<b>GREECE</b>				
NATL BANK OF GREECE 8.25% 18-07-29	in euros	100 000	105 205,31	0,97
<b>TOTAL GREECE</b>			<b>105 205,31</b>	<b>0,97</b>
<b>IRELAND</b>				
AIB GROUP 5.25% PERP	in euros	200 000	196 015,83	1,81
<b>TOTAL IRELAND</b>			<b>196 015,83</b>	<b>1,81</b>
<b>ITALY</b>				
AUTO PER L IT 1.625% 12-06-23	in euros	250 000	243 980,33	2,26
BANCO BPM FIX 21-09-27	in euros	200 000	200 648,70	1,85
BANCO BPM 4.25% 01-10-29	in euros	100 000	98 783,14	0,91
ENEL 2.5% 24-11-78	in euros	100 000	104 496,98	0,96
INTESA SANPAOLO 6.25% PERP	in euros	200 000	204 859,47	1,89
MONTE PASCHI 4.0% 10-07-22	in euros	100 000	103 977,55	0,96
MONTE PASCHI 5.375% 18-01-28	in euros	100 000	86 803,93	0,80
SAIPEM FINANCE INTL BV 2.75% 05-04-22	in euros	100 000	102 354,16	0,94
UBI BANC 4.25% 05-05-26 EMTN	in euros	100 000	103 547,58	0,95
UBI BANCA UNIONE DI BANCHE ITALIANE 4.375% 12-07-29	in euros	200 000	215 963,75	1,99
UBI BANCA UNIONE DI BANCHE ITALIANE 4.45% 15-09-27	in euros	100 000	104 702,26	0,96
UNICREDIT SPA 6.625% PERP	in euros	200 000	203 541,46	1,87
<b>TOTAL ITALY</b>			<b>1 773 659,31</b>	<b>16,34</b>
<b>JAPAN</b>				
SOFTBANK GROUP 4.0% 20-04-23	in euros	100 000	105 510,00	0,97
<b>TOTAL JAPAN</b>			<b>105 510,00</b>	<b>0,97</b>
<b>LUXEMBOURG</b>				
EUROFINS SCIENTIFIC 2.875% PERP	in euros	120 000	121 421,29	1,12
FIAT FIN 4.75% 15-07-22 EMTN	in euros	220 000	235 61 1,38	2,17
GESTAMP FUND LUX 3.5% 15-05-23	in euros	100 000	97 624,44	0,90
ZF FINANCE 3.0% 21-09-25 EMTN	in euros	100 000	97 576,91	0,90
<b>TOTAL LUXEMBOURG</b>			<b>552 234,02</b>	<b>5,09</b>
<b>MEXICO</b>				
PETROLEOS MEXICANOS 2.5% 24-1 1-22	in euros	100 000	97 978,48	0,90
<b>TOTAL MEXICO</b>			<b>97 978,48</b>	<b>0,90</b>
<b>NETHERLANDS</b>				
ABN AM RO BK 4.375% PERP	in euros	200 000	200 441,73	1,85
FIAT CHRYSLER AUTOMOBILES NV 3.375% 07-07-23	in euros	100 000	104 512,45	0,96
GAS NATU FENO 4.125% 30-1 1-49	in euros	100 000	107 444,79	0,99
IBERDROLA INTL BV 3.25% PERP	in euros	100 000	109 135,49	1,01
OCI NV 5.0% 15-04-23	in euros	100 000	105 103,44	0,97
REPSOL INTERNATIONAL FINANCE BV 4.5% 25-03-75	in euros	100 000	107 836,79	0,99

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
TELE EURO BV 3.75% PERP	in euros	200 000	207 732,14	1,90
TELEFONICA EUROPE BV 3.0% PERP	in euros	200 000	205 021,21	1,89
TEVA PHARMACEUTICAL FINANCE II BV 3.25% 15-04-22	in euros	100 000	101 536,64	0,94
VOLKSWAGEN INTL FIN NV 5.125%/TV PERP	in euros	100 000	106 625,15	0,98
<b>TOTAL NETHERLANDS</b>			<b>1 355 389,83</b>	<b>12,48</b>
<b>PORTUGAL</b>				
BCP 4.5% 07-12-27 EMTN	in euros	100 000	99 913,52	0,92
BCP 9.25% PERP	in euros	200 000	181 005,12	1,67
CAIXA GERAL DE DEPOSITOS 10.75% PERP	in euros	200 000	217 415,44	2,00
ENERGIAS DE PORTUGAL EDP 4.496% 30-04-79	in euros	100 000	1 10 243,26	1,02
NOVO BAN 8.5% 06-07-28	in euros	100 000	87 137,82	0,80
<b>TOTAL PORTUGAL</b>			<b>695 715,16</b>	<b>6,41</b>
<b>UNITED KINGDOM</b>				
BARCLAYS PLC 2.0% 07-02-28	in euros	100 000	100 726,05	0,93
F 1.134 02/10/22	in euros	270 000	267 253,06	2,46
INTE GAME TEC 4.75% 15-02-23	in euros	200 000	205 956,28	1,90
PIRAEUS GROUP FINANCE 9.75% 26-06-29	in euros	200 000	166 384,62	1,53
<b>TOTAL UNITED KINGDOM</b>			<b>740 320,01</b>	<b>6,82</b>
<b>SWEDEN</b>				
INTRUM JUSTITIA AB 2.75% 15-07-22	in euros	100 000	10 080,22	0,09
<b>TOTAL SWEDEN</b>			<b>10 080,22</b>	<b>0,09</b>
<b>TOTAL bonds and similar securities traded on a regulated or equivalent market</b>			<b>10 742 527,12</b>	<b>98,95</b>
<b>TOTAL Bonds and similar securities</b>			<b>10 742 527,12</b>	<b>98,95</b>
<b>Receivables</b>			<b>12 266,67</b>	<b>0,11</b>
<b>Liabilities</b>			<b>-894 953,86</b>	<b>-8,24</b>
<b>Financial accounts</b>			<b>996 417,43</b>	<b>9,18</b>
<b>Net assets</b>			<b>10 856 257,36</b>	<b>100,00</b>

LAZARD EURO SHORT DURATION HIGH YIELD PART RVC EUR	in euros	1,000	102,27
LAZARD EURO SHORT DURATION HIGH YIELD PART EVC EUR	in euros	5 000,000	1 022,62
LAZARD EURO SHORT DURATION HIGH YIELD PART PD EUR	in euros	1,000	1 022,43
LAZARD EURO SHORT DURATION HIGH YIELD PART RC EUR	in euros	1,000	102,21
LAZARD EURO SHORT DURATION HIGH YIELD PART PVC EUR	in euros	5 616,000	1 022,41

• **ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS**

BREAKDOWN OF INTEREST

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	9,67	EUR	9,67	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	9,67	EUR	9,67	EUR

## TEXT OF RESOLUTIONS

### LAZARD FUNDS

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

Registered office: 121, Boulevard Haussmann, 75008 Paris, France

Paris Trade and Companies Register no. 484 947 627

## RESOLUTION FOR THE ALLOCATION OF DISTRIBUTABLE INCOME PROPOSED TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR THE LAZARD EURO SHORT DURATION HIGH YIELD SUB-FUND

### FINANCIAL YEAR ENDED 30 September 2020

#### Third resolution

The Shareholders' Meeting approves the distributable income for the financial year, which amounts to: **€102 524,92** distributable amount pertaining to net income;

**€121 105,68** distributable amount pertaining to net capital gains and losses.

and decides that they shall be allocated as follows:

#### I. Distributable amount relating to net income

- RC EUR shares: Accumulation: €0,95
- RVC EUR shares: Accumulation: €1,02
- PVC EUR shares: Accumulation: €53 681,73
- EVC EUR shares: Accumulation: €48 831,55
- PD EUR shares: Distribution: €9,67

Each shareholder holding PD EUR shares on the detachment date will receive a dividend of €9,67 which will be detached on January 20th, 2021 and paid on January 22nd, 2021.

#### 2. Distributable income relating to net capital gains and losses

- RC EUR shares: Accumulation: €1,15
- RVC EUR shares: Accumulation: €1,15
- PVC EUR shares: Accumulation: €64 053,95
- EVC EUR shares: Accumulation: €57 038,01
- PD EUR shares: Accumulation: €11,42

As this is the first financial year, no income has yet been distributed.