

**LAZARD ACTIONS EURO**  
**French open-end investment**  
**fund (*Fonds Commun de***  
***Placement - FCP*)**

**ANNUAL REPORT**

At September 30<sup>th</sup>, 2019

**Management company: Lazard Frères Gestion SAS**

**Custodian: Lazard Frères Banque**

**Statutory auditor: Deloitte & Associés**

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## 1. CHARACTERISTICS OF THE UCI

- **LEGAL FORM**

French open-end investment fund (*Fonds Commun de Placement*).

- **CLASSIFICATION**

Eurozone country equities.

- **ALLOCATION OF DISTRIBUTABLE INCOME**

Distributable income consists of:

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

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

**For IC and S units:** All distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law.

**For R and T units:** The management company decides each year on the allocation of distributable income. It may pay interim dividends.

**For ID units:** Net income is distributed in full and the allocation of net realised capital gains is decided each year by the management company. Distributable income is equal to net income as defined above plus or minus the balance of the revenue adjustment account for ID units for the past financial year and retained earnings.

- **INVESTMENT OBJECTIVE**

While the Fund is not index-based, it seeks to outperform the benchmark, net of expenses, over the recommended investment period.

- **BENCHMARK**

The benchmark index is the Euro Stoxx (net dividends reinvested at the closing price). It is representative of leading Eurozone large caps.

The performance history is available on the website [www.stoxx.com](http://www.stoxx.com) (code: SXXT Index).

- **INVESTMENT STRATEGY**

### 1. Strategies used

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

- Identifying companies with the best economic performance profiles.
- Verifying that performance through financial analysis and examination of underlying strategies.

- Selecting stocks from such companies according to the market's undervaluation of that performance at a given time.
  - Building a portfolio within the Eurozone but with no other geographical or sectoral restrictions.
- The focus on achieving the optimum ratio between the company's economic performance and valuation may result in wide divergences between the Fund's performance and its sector and/or country mix and those of the underlying asset class, i.e. large caps from the Eurozone.

## 2. Assets (excluding embedded derivatives)

### Equities:

A minimum of 90% of the net assets. The portfolio aims to be mainly invested in large cap equities that are listed and/or domiciled in the Eurozone, although this is an objective rather than a constraint.

### Debt securities and money market instruments:

French and foreign negotiable debt securities (mainly French treasury bills and BTAN medium-term treasury notes) to a maximum of 10% of net assets.

### UCIs:

French UCITS or French AIFs to a maximum of 10% of the net assets.

Investment is solely in UCIs that in turn invest less than 10% of their assets in other UCIs.

These UCIs may be managed by the management company.

## 3. Derivatives

### • Types of markets:

- regulated
- organised
- OTC

### • The manager intends to seek exposure to:

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

### • Types of transactions – all transactions must be limited to achieving the investment objective:

- hedging
- exposure
- arbitrage

### • Types of instruments used:

#### futures:

- equity and equity index
- interest rate
- currency

#### options:

- equity and equity index
- interest rate
- currency

#### swaps:

- equity swaps
- interest rate swaps
- currency swaps

#### currency forwards

#### credit derivatives: currency hedging

- credit default swaps: issuer default risk hedging

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

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

#### **4. Securities with embedded derivatives**

None.

#### **5. Deposits:**

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

#### **6. Cash borrowings:**

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

#### **7. Temporary purchases and sales of securities:**

None.

#### **8. Information on financial guarantees:**

In connection with over-the-counter derivative transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (*Autorité des Marchés Financiers* – AMF), the Fund may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash.

Any cash collateral received is reinvested in accordance with the applicable rules.

All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility.

Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

- **RISK PROFILE**

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

- **Risk of capital loss:**

The Fund does not provide any guarantees or capital protection. It is therefore possible that you may not recover the full amount of your initial investment.

- **Risk associated with managing and allocating discretionary assets:**

The Fund's performance depends on both the securities and UCIs that the portfolio manager chooses and on the portfolio manager's allocation of assets. There is a risk that the manager may not select the best-performing securities and UCIs or choose the optimal asset allocation between markets.

- **Equity risk:**

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

In addition, the volume of small- and mid-cap stocks listed on the stock exchange is relatively small and downward market movements tend to be more pronounced and faster than for large caps. The Fund's NAV may therefore decline rapidly and significantly.

- **Counterparty risk:**

This is the risk associated with the Fund's use of OTC forward financial instruments.

These transactions, entered into with one or more eligible counterparties, potentially expose the Fund to a risk of failure of any such counterparty, which may lead to default in payment and cause the Fund's NAV to fall.

**Interest rate risk:**

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

**• GUARANTEE OR PROTECTION**

None.

**• ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

Any subscriber seeking exposure to equity risk. Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this Fund.

**Information on US investors:**

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

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

**FATCA:**

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

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

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

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

Recommended investment period: minimum five years.

## 2 CHANGES AFFECTING THE UCI

None.

### 3. MANAGEMENT REPORT

#### PERFORMANCE

The UCI's performance over the period was as follows: **+1,82%**.

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

The benchmark's performance over the period was: **+4,20%**.

#### ECONOMIC ENVIRONMENT

##### Introduction

The past year was marked by a slowdown in global growth, in both developed and emerging countries, and especially in the manufacturing sector in which confidence declined. Several factors weighed on the markets, notably the rise in US-China trade tensions, problems specific to the automotive sector and political uncertainties in Europe. The slowdown in the manufacturing sector has not yet contaminated the services sector, which has held up well until now thanks to the fact that consumption remains upbeat. In the face of increasing downside risks, central banks have chosen to ease monetary policy as a preventive measure. After adopting the principle of a pause in its rate-hiking cycle, the Federal Reserve (Fed) cut its interest rates twice and stopped reducing its balance sheet. The European Central Bank (ECB) postponed a possible rise in its interest rates and launched a new wave of targeted longer term loans (TLTRO), before announcing a new package of measures including, among other things, a cut in the deposit rate and a resumption of asset purchases. In emerging countries, the Central Bank of China (PBOC) cut the reserve requirement ratio for the banking sector on three occasions while several other countries cut interest rates. Against this backdrop, the equity markets experienced renewed volatility and bond yields fell more or less worldwide.

GDP volume growth (%)	2017	2018	2019	2020
World	3,8	3,6	3,0	3,4
Developed countries	2,5	2,3	1,7	1,7
Emerging countries	4,8	4,5	3,9	4,6
Eurozone	2,5	1,9	1,2	1,4
United States	2,4	2,9	2,4	2,1
Japan	1,9	0,8	0,9	0,5
United Kingdom	1,8	1,4	1,2	1,4
China	6,8	6,6	6,1	5,8
India*	7,2	6,8	6,1	7,0
Brazil	1,1	1,1	0,9	2,0
Russia	1,6	2,3	1,1	1,9

IMF Economic Outlook, October 2019

\* The data and forecasts for India are presented based on the budget year

The MSCI World index of global equity markets in dollars fell by 0,7% year-on-year, due to a fall of 0,2% in developed countries and 4,5% in emerging countries. In their respective currencies, the S&P 500 gained 2,2%, the Euro Stoxx gained 1,6% and the Topix lost 12,6%. The performances of the S&P 500 and the Topix were more beneficial for investors not hedged against foreign exchange risk (+8,8% and -2,4% respectively), with the dollar and the yen appreciating against the euro.

The euro fell from \$1,16 to \$1,09 year-on-year, i.e. a depreciation of 6,1%. It depreciated by 10,7% against the yen, by 4,6% against the Swiss franc and by 0,4% against sterling. Political uncertainties in Italy and the ECB's accommodative monetary policy weighed on the single currency. At the same time, the yen and the Swiss franc benefited from their safe-haven status during the various episodes of flight to quality.

The slight fall in the MSCI World index masked a bumpy trajectory, mainly due to the back-and-forth China-US trade tensions, concerns about global growth and political uncertainties in Europe. Faced with these international uncertainties, the Fed and the ECB switched to a more accommodative approach, as a precaution, which boosted the equity markets.

Against this backdrop, government bond yields fell in the United States and Germany. Year-on-year, the US 10-year interest rate fell from 3,06% to 1,66%, having peaked at 3,24% in November 2018. In parallel, the German 10-year interest rate fell from +0,47% to -0,57%, after peaking at +0,57% in early October 2018.

Falling interest rates across the world pushed the weighting of negative yield bonds in the Bloomberg Barclays Global Aggregate index up from 13% to 26% between September 2018 and September 2019.

Credit spreads on 10-year maturities between peripheral countries and Germany tightened over the past year: by 180 basis points in Greece, 128 basis points in Italy, 68 basis points in Portugal and 31 basis points in Spain.

Credit margins on corporate bonds remained virtually stable year-on-year. According to the ICE Bank of America Merrill Lynch indices, they rose from 110 to 111 for good quality corporate bonds and from 355 to 366 for high yield bonds.

The price of a barrel of Brent fell by 28% year-on-year, from \$83 to \$60, due in particular to fears around global demand. In mid-September 2019, the attack on two oil facilities in Saudi Arabia triggered an increase of around \$12 in the barrel price over a single day. But the movement was short-lived.

## **United States**

Growth remained solid in the US, reaching +1,1% in Q4 2018, +3,1% in Q1 2019 and +2,0% in Q2 2019, on an annualised basis. GDP grew by +2,3% year-on-year.

The ISM surveys showed a downturn with the manufacturing ISM falling from 59,5 to 47,8 and the non-manufacturing ISM falling from 60,8 to 52,6.

Household consumption grew at a good pace, apart from two soft patches in December 2018 and February 2019, showing a year-on-year increase of +2,3%.

Job creation has slowed in recent months, but has not taken a downturn. In year-on-year terms, 2 000 000 jobs were created by the private sector. The unemployment rate fell by 0,3 points to 3,5%, its lowest level since December 1969. The hourly wage accelerated gradually to reach a peak of +3,4% year-on-year in February 2019. It then moderated to +2,9% year-on-year.

Residential investment contracted by 3,2% year-on-year in Q2 2019. Real estate prices continued to slow gradually, reaching +3,2% year-on-year at the national level, according to the S&P CoreLogic Case-Shiller index. The NAHB home builder confidence index was virtually stable year-on-year, masking a decline at the end of Q4 2018. Non-residential investment has slowed in recent quarters but remains up +2,6% year-on-year.

The US trade deficit fluctuated around \$55 billion per month. Exports rose by 0,1% year-on-year while imports remained stable. Imports from China fell by 14,0% year-on-year.

Headline inflation slowed from +2,0% to +1,4% year-on-year, while core inflation accelerated from +2,2% to +2,4% year-on-year.

The Federal Reserve raised its benchmark interest rate by 25 basis points on December 19<sup>th</sup>, 2018, bringing it to a band of 2,25%-2,50%. On January 4<sup>th</sup>, 2019, Jerome Powell indicated that the Federal Reserve would be patient and adjust its monetary policy in line with economic results. On March 20<sup>th</sup>, 2019, the Fed announced that it would stop reducing its balance sheet from September 2019. On June 19<sup>th</sup>, 2019, the Fed removed the reference to patience from its press release to indicate that it was ready to act. It made two 25 basis-point cuts in its benchmark rate on July 31<sup>st</sup> and September 19<sup>th</sup>, bringing it to a band of 1,75%-2,00%.

The mid-term elections on November 6<sup>th</sup>, 2018 resulted in a divided Congress. The Democrats took control of the House of Representatives, securing 235 of the 435 seats. With 53 of the 100 seats in the upper house, the Republicans held onto their majority in the Senate. Due to a lack of financing, the federal administrations were partially closed from December 23<sup>rd</sup>, 2018 to January 25<sup>th</sup>, 2019, the longest shutdown in the history of the United States.

## **Eurozone**

Growth in the Eurozone slowed to an annualised rate of +0,8% in Q2 2019 after +1,7% in Q1 2019 and +1,2% in Q4 2018. GDP grew by +1,2% year-on-year in the Eurozone, by +0,4% in Germany, by +1,4% in France, by +2,0% in Spain and by +0,1% in Italy.

The Eurozone composite PMI fell from 54,1 to 50,1, mainly due to the fall in the manufacturing PMI from 53,2 to 45,7, in particular the decline from 53,7 to 41,7 in Germany. The Eurozone services PMI fared better, falling from 54,7 to 51,6.

Car sales in the Eurozone have gradually normalised after the impact of the entry into force of the WLTP anti-pollution standards on September 1<sup>st</sup>, 2018. Automotive production, however, has continued to slow, falling by 2,4% year-on-year.

Unemployment in the Eurozone continued to fall, reaching a new record low of 7,4% since 2008, versus 8,0% a year earlier.

Headline inflation slowed from +2,1% to +0,9% year-on-year. Core inflation moved within a tight range of +0,8% and +1,3% year-on-year.

At its meeting on December 13<sup>th</sup>, 2018, the ECB confirmed the end of its purchase programme, specifying that it would continue to reinvest redemptions from maturing securities for an extended period after beginning to raise interest rates. On March 7<sup>th</sup>, 2019, the ECB announced that it would keep interest rates unchanged “at least until the end of 2019” and launch a new wave of targeted longer-term refinancing operations (TLTROs) for Eurozone banks. On June 6<sup>th</sup>, 2019, the ECB postponed a possible rate hike to the second half of 2020. On September 13<sup>th</sup>, 2019, Mario Draghi announced a new package of monetary easing measures, including: a 10-basis point cut in the deposit rate to -0,50%; a partial exemption mechanism for certain banks; the resumption of QE to the tune of €20 billion per month, with no time limit; more favourable conditions for TLTRO 3 and a strengthening of the forward guidance, which now links interest rate trends to inflation.

The European elections in May 2019 saw support for the traditional parties erode but the surge in support for the populist bloc that some had anticipated did not take place. The numbers among liberals and environmentalists showed an increase.

In Italy, the Five Star Movement and the Democratic Party formed a new government after the collapse of the coalition between the Five Star Movement and the League.

In Spain, after the failure of its draft budget, the new head of the socialist government, Pedro Sanchez, called early general elections for April 28<sup>th</sup>, 2019, which saw the PSOE take the lead but without giving it a majority. As the various parties failed to agree to form a government, new legislative elections were called for November 10<sup>th</sup>, 2019.

## **Japan**

Growth in Japan increased from an annualised rate of +1,8% in Q4 2018 to +2,2% in Q1 2019 and +1,3% in Q2 2019. GDP grew by +1,0% year-on-year.

The manufacturing PMI fell from 52,5 to 48,9 while the services PMI rose from 50,2 to 52,8.

The labour market remained tight. The unemployment rate fell from 2,4% to 2,2% and the ratio between job offers and job applications stabilised at 1,6.

Inflation slowed from +1,2% to +0,3% year-on-year, while core inflation accelerated slightly to +0,6% year-on-year, versus +0,4% twelve months earlier.

## China

Year-on-year growth in China slowed from 6.4% in Q4 2018 and Q1 2019 to 6.2% in Q2 2019. In March 2019, the government announced a growth target of between 6,0% and 6,5%.

The Caixin manufacturing PMI deteriorated at first to a low of 48,3 in January 2019. It subsequently picked up to 51,4 in September 2019 versus 50,0 in September 2018.

Industrial production slowed from +5,8% to +4,4% year-on-year while investment in the manufacturing sector slowed from +16,1% to -1,6% year-on-year. Car sales also slowed, falling by 7,7% year-on-year. Expenditure on infrastructure and real estate grew more or less at the same rate as the previous year.

Exports slowed from +13,9% to -3,2% year-on-year and imports slowed from +14,3% to -8,5% year-on-year. Exports to the US fell.

Growth in the total credit stock accelerated slightly, from +10,6% to +11,0% year-on-year.

The central bank reduced the level of compulsory bank reserves by 100 basis points in October 2018, by 100 basis points in January 2019 and by 50 basis points in September 2019, bringing it to 13,0%. The central bank also announced reform of the mechanism for setting preferential lending rates, with which bank lending rates are aligned.

In particular, the government announced tax cuts for households and companies, amounting to around 2% of GDP in 2019, as well as measures to support investment in infrastructure and the automotive sector.

## MANAGEMENT POLICY

Lazard Actions Euro delivered a performance of +1,82% over full-year 2019 versus +4,20% for the benchmark index, the Euro Stoxx with net dividends reinvested, representing an underperformance of 238bp.

The last three months of 2018 were mainly marked by a sell-off across the indices in anticipation of a slowdown in global growth, confirmed by disappointing Eurozone and Chinese indicators. Moreover, the IMF, OECD and central banks revised down their growth projections. The outlook for the US economy was also a source of concern, particularly with the inversion of the yield curve, seen as a potential harbinger of a recession. This did not prevent the Fed from once again raising its benchmark rates by 0,25%, stating that it would adapt its policy according to macroeconomic developments, while scaling back the number of tightening episodes earmarked for 2019. At the same time, there was still no sign of a resolution to the Brexit problem, even though an agreement was reached between the European Union and the United Kingdom. The deal did not get through parliament, Theresa May having dropped plans to submit it to MPs on the day before the planned vote on fears that it would be rejected. The vote was postponed to the middle of January. Italy revised down its budget deficit from 2,40% to 2,04%, enabling it to avoid a European excessive deficit procedure for now. Against this backdrop, Lazard Actions Euro ended the last quarter of 2018 with a sharp decline of 12,98% versus -12,96% for the Euro Stoxx index. The fund was particularly hurt by its underweighting of the utilities sector, particularly the absence of Enel (+14,3%) and Iberdrola (+10,7%). The fund was also negatively impacted by commodities, with the presence of Aperam (-40,7%), Imerys (-34,0%) and Voestalpine (-33,8%). The other main negative contributors to the relative performance were Atos (-30,3%) in technology, Eiffage (-24,1%) in buildings and construction materials, and Amundi (-28,5%) in financial services. The fund's decline was nonetheless offset by positive stock-picking effects in healthcare, chemicals and media, among others. The main positive contributors were Merck (+1,1%), Deutsche Telekom (+6,7%), Orange (+5,2%) and Ferrovial (+1,35%). The absence of Airbus (-22,4%) also contributed positively. Amid major question marks over global growth and fears of a supply glut, oil prices fell sharply (-35% over the period for Brent crude). The fund therefore benefited from the absence of Total (-16,2%).

The first quarter of 2019 was marked by a strong rebound in most global markets, allowing the previous quarter's losses to be all but reversed. This recovery was mainly due to the Federal Reserve's more accommodative stance and an about-turn by its Chair. Citing the slowdown in global growth and the tightening of financial conditions in the markets, Jerome Powell ended the cycle of benchmark interest rate hikes initiated in December 2015.

At the ECB, Mario Draghi announced that he would not raise interest rates at least until the end of 2019, while launching a wave of targeted longer-term loans (TLTROs) to cushion the negative interest rate impact on Eurozone banks. The easing of trade tensions between the United States and China and the hope of an agreement between these two parties were also major factors that reassured the markets. With regard to the United Kingdom, the climate of uncertainty persisted as, for the third time, Parliament rejected the exit agreement negotiated by Theresa May with the European Union. Against this backdrop, Lazard Actions Euro ended the quarter on a sharp increase of 10,25% compared with 12,09% for its benchmark index. The industrial goods sector was the worst contributor to the fund's performance. This is due to a negative stock-picking effect and, in particular, the absence of *Airbus* (+40,4%). The portfolio was also hurt by the declines of *Publicis* (-4,7%) in media following a poor earnings release, *Société Générale* (-7,3%) in banking, and *Henkel* (-4,6%) in personal care and household products. In contrast, the agri-food and beverages sector was the top contributor with good choices made, notably *Heineken* (+21,9%) and *Anheuser-Busch Inbev* (+29,6%). The Fund benefited in addition from increases by *LVMH* (+27,0%) in personal care and household products and *Amundi* (+21,5%) in financial services. It also stood out from its index thanks to the presence of *Lafargeholcim* (+22,9%) in buildings and construction materials, and the absence of *Total* (+8,6%) and *Wirecard* (-15,9%) in oil companies and industrial goods, respectively.

After a strong rally in the first quarter of 2019 (+14,5% for the MSCI World net dividends reinvested expressed in euros), the global markets came to a halt in May but ended the second quarter with gains of +2,5%. While the trend seen in the first quarter continued in April (+3,7%), renewed tensions around a trade war and a slowdown in global growth combined with the continuous fall in sovereign interest rates sparked a sharp fall in the markets in May (-5,2%). They picked up in June (+4,3%), helped by the increasingly accommodative stance of central banks, prepared to act if necessary, and by hopes of a resolution of the trade dispute between China and the United States at the end of the G20 summit. With regard to the United Kingdom, the postponement of the Brexit deadline to October 31<sup>st</sup> made it possible to rule out the risk of a no-deal Brexit in the short term, while also prolonging the period of uncertainty. Against this backdrop, Lazard Actions Euro ended the second quarter of 2019 with a gain of 5,01% versus +4,22% for its benchmark, the Euro Stoxx with net dividends reinvested. It was negatively impacted mainly by poor stock picks in healthcare, automotive, consumer products and services and travel and leisure. In terms of securities, *Merck* (-8,3%), *Ryanair* (-13,3%), *Wartsila* (-11,3%) and the absence of *Adidas* (+27,0%) and *Linde* (+13,8%) were among the biggest negative contributors to the relative performance during the quarter. Conversely, the fund was mainly underpinned by its excellent stock picks in the technology, insurance and financial services sectors. Specifically, the portfolio benefited from gains by *SAP* (+18,8%), *LVMH* (+15,5%) and *Amundi* (+15,0%) and stood out from its benchmark thanks to the presence of *Coface* (+22,8%). Still eschewing oil stocks, Lazard Actions Euro benefited from the stagnation of the Brent barrel price during the quarter (+0,1%), which fluctuated in line with OPEC's restrictions and US-Chinese and US-Iranian tensions.

The third quarter of 2019 was also quite turbulent. The markets fluctuated in line with trade tensions, signs of a slowdown in global growth, accommodative messages from central banks, tensions in Hong Kong and the Middle East, uncertainties about the future of Brexit and the investigation into Donald Trump's impeachment. The global markets represented by the MSCI World (net dividends reinvested expressed in euros) nevertheless rose by 5,0% over these three months. July (+2,8%) saw further signs of a slowdown in the global economy. The central banks responded by adopting a more accommodative stance. As expected, the Fed cut its key rate by 25bp while the ECB announced further easing measures for the end of the quarter. August (-1%) saw a further escalation of tensions and tariff increases between China and the United States despite a compromise having been negotiated at the end of June during the G20 summit. Amid all of that, the UK's new Prime Minister, Boris Johnson, caused market jitters due to concerns about a possible exit without an agreement. In September (+3,2%), the market rebounded following signs of an easing of tension between China and the US. This rebound was also triggered by increasingly accommodative statements by central bankers. The Fed decided to reduce its key rate by another 25bp to a band of 1,75%-2,00% while specifying that it would act again if necessary. In Europe, the ECB cut its deposit facility rate by 10bp, reactivated its quantitative easing programme to the tune of €20 billion per month and improved long-term lending conditions for banks. In the United Kingdom, the Prime Minister remained determined to leave the European Union on October 31<sup>st</sup>, with or without an agreement. Against this backdrop, Lazard Actions Euro ended the third quarter of 2019 on a slight increase of 1,07% compared with an increase of 2,47% for the Euro Stoxx net dividends reinvested. It was penalised by the selection of stocks in the commodities and industrial goods sectors and the absence of stocks in utility services. Specifically, the portfolio was held back by weak performances by *SAP* (-10,7%), *Imerys* (-20,9%), *Wartsila* (-17,6%) and *Atos* (-12,0%). By contrast, the healthcare and banking sectors were the best contributors thanks to a positive stock-picking effect. The main gains of note came from *Merck* (+12,4%) and *Sanofi* (+12%) on the one hand and *Société Générale* (+13,1%) and *BNP* (+7,0%) on the other. The portfolio also benefited from good performances by *ASML* (+23,7%) in technology and *Eiffage* (+9,4%) in construction, as well as the absence of *Total* (-1,5%) and *Airbus* (-4,4%) in energy and industrial goods, respectively.

Lazard Actions Euro is PEA-eligible and remained over 90% invested in equities throughout the financial year.

Past performance is no guarantee of future results.

**Main changes in the portfolio during the year**

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EURO MONEY MARKET	27 976 095,12	24 849 564,73
LAZARD EURO SHORT TERM MONEY MARKET	14 883 649,50	15 381 809,00
ASML HOLDING NV	5 783 263,68	470 545,00
SANOFI	2 548 038,53	2 720 503,75
BMW BAYERISCHE MOTOREN WERKE	4 653 610,04	361 704,00
HENKEL AG AND CO.KGAA NON VTG PRF	1 240 625,79	3 656 244,31
VINCI (EX SGE)	4 427 564,55	130 092,00
DAIMLER AG-REGISTERED SHARES	219 759,10	4 133 208,98
ALSTOM	204 483,60	4 086 400,77
LVMH (LOUIS VUITTON - MOET HENNESSY)	1 844 312,68	2 232 012,84

**Transparency of securities financing transactions and the reuse of financial instruments – SFTR – in the accounting currency of the UCI (€)**

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

• **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:
  - **Currency forwards:**
  - **Futures:**
  - **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
<p><b>Efficient portfolio management techniques</b></p> <ul style="list-style-type: none"> <li>. Term deposits</li> <li>. Equities</li> <li>. Bonds</li> <li>. UCITS</li> <li>. Cash (**)</li> </ul> <p style="text-align: center;"><b>Total</b></p>	
<p><b>Derivative financial instruments</b></p> <ul style="list-style-type: none"> <li>. Term deposits</li> <li>. Equities</li> <li>. Bonds</li> <li>. UCITS</li> <li>. Cash</li> </ul> <p style="text-align: center;"><b>Total</b></p>	

(\*\*) 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
<ul style="list-style-type: none"> <li>. Income (***)</li> <li>. Other income</li> </ul> <p style="text-align: center;"><b>Total income</b></p> <ul style="list-style-type: none"> <li>. Direct operating expenses</li> <li>. Indirect operating expenses</li> <li>. Other expenses</li> </ul> <p style="text-align: center;"><b>Total expenses</b></p>	

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

## 4. 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.

### • **BROKERAGE FEES**

Information on 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 about 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 UCI's annual financial statements.

- **METHOD USED TO CALCULATE GLOBAL RISK**

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

- **PEA employee savings fund**

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

Proportion actually invested during the financial year: 94,85%.

- **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 31<sup>st</sup>, 2018 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 31/12/2018: fixed-term and permanent employment contracts of LFG and LFG-Belgium**  
(including interns and apprentices and excluding LFG-Courtage)

Headcount at 31/12/2018 LFG, LFG-Belgium	Fixed annual remuneration in 2018 in €k	Variable remuneration awarded for 2018 (cash and deferred) in €k
160	14 542	19 267

**“Identified employees”**

Category	Number of employees	Aggregated fixed and variable remuneration in 2018 (including deferred) in €k
Senior management	3	3 958
Other	47	18 457
Total	50	22 416

Note: the amounts are stated excluding charges

- **OTHER INFORMATION**

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

Lazard Frères Gestion SAS  
25, Rue de Courcelles – 75008 Paris,  
France

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

## 5. CERTIFICATION BY THE STATUTORY AUDITOR

## LAZARD ACTIONS EURO

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

Management Company:  
Lazard Frères Gestion SAS

25, Rue de Courcelles  
75008 Paris, France

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

Financial year ended September 30<sup>th</sup>, 2019

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To the Unitholders of LAZARD ACTIONS EURO

#### Opinion

In accordance with the terms of our appointment by the management company, we conducted our audit of the accompanying annual financial statements of the UCI LAZARD ACTIONS EURO, a French open-end investment fund (*fonds commun de placement* - FCP) for the financial year ended September 30<sup>th</sup>, 2019.

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

#### Opinion on the annual financial statements

#### Audit standards

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

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

## **Independence**

We conducted our audit in accordance with the rules of independence applicable to us on the period from September 29<sup>th</sup>, 2018 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 opinion**

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.

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

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

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

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

The management company 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 Fund.

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

- it identifies and assess the risks that the annual financial statements may contain material misstatements, whether from fraud or error, defines and implements audit procedures to resolve these risks, and collects all elements deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than that resulting from an error because fraud may involve collusion, falsification, deliberate omissions, false statements or 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 company, and the related information provided in the annual financial statements;
- it assesses the appropriateness of the management company's application of the accounting policy for a going concern and, based on the information collected, whether there is a significant uncertainty linked to events or circumstances that is likely to call into question the Fund's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall 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, January 14<sup>th</sup>, 2020

The statutory auditor

Deloitte & Associés

[signature]

Olivier Galienne

## 6 ANNUAL FINANCIAL STATEMENTS

- BALANCE SHEET in euros**

### ASSETS

	30/09/2019	28/09/2018
<b>Net non-current assets</b>		
<b>Deposits</b>		
<b>Financial instruments</b>	<b>200 765 101,00</b>	<b>219 552 927,17</b>
<b>Equities and similar securities</b>	<b>193 005 245,50</b>	<b>214 593 306,83</b>
Traded on a regulated or equivalent market	193 005 245,50	214 593 306,83
Not traded on a regulated or equivalent market		
<b>Bonds and similar securities</b>		
Traded on a regulated or equivalent market		
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>7 759 855,50</b>	<b>4 959 620,34</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	7 759 855,50	4 959 620,34
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>		
Transactions on a regulated or equivalent market		
Other transactions	<b>341 820,62</b>	<b>9 837,12</b>
<b>Other financial instruments</b>		
<b>Receivables</b>		
<b>Currency forward exchange transactions</b>	<b>341 820,62</b>	<b>9 837,12</b>
<b>Other</b>	<b>1 525 451,49</b>	<b>1 159 804,95</b>
<b>Financial accounts</b>	<b>1 525 451,49</b>	<b>1 159 804,95</b>
<b>Total assets</b>	<b>202 632 373,11</b>	<b>220 722 569,24</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	30/09/2019	28/09/2018
<b>Shareholders' equity</b>		
<b>Capital</b>	200 119 663,63	198 591 898,31
Undistributed net capital gains and losses recognised in previous years (a)		6 092 637,58
Retained earnings (a)	640,64	2 425,88
Net capital gains and losses for the year (a, b)	-2 198 023,79	11 133 288,47
Net income for the year (a, b)	4 499 075,40	3 897 078,02
<b>Total shareholders' equity (= amount representing net assets)</b>	<b>202 421 355,88</b>	<b>219 717 328,26</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>Currency forward exchange transactions</b>	211 017,23	1 005 240,98
<b>Other</b>		
<b>Financial accounts</b>	211 017,23	1 005 240,98
<b>Bank overdrafts</b>		
<b>Borrowings</b>		
<b>Total liabilities and shareholders' equity</b>	<b>202 632 373,11</b>	<b>220 722 569,24</b>

(a) Including accrued income

(b) Less interim dividends paid for the financial year

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

	30/09/2019	28/09/2018
<b>Hedging transactions</b>		
<b>Commitments on regulated or similar markets</b>		
<b>Commitments on OTC markets</b>		
<b>Other commitments</b>		
<b>Other transactions</b>		
<b>Commitments on regulated or similar markets</b>		
<b>Commitments on OTC markets</b>		
<b>Other commitments</b>		

- **INCOME STATEMENT in euros**

	30/09/2019	28/09/2018
<b>Income from financial transactions</b>		
Income from deposits and financial accounts	12 753,72	148,62
Income from equities and similar securities	6 194 826,35	7 092 612,21
Income from bonds and similar securities		
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
<b>Total (1)</b>	<b>6 207 580,07</b>	<b>7 092 760,83</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		
Other financial charges		
<b>Total (2)</b>		
<b>Income from financial transactions (1 - 2)</b>	<b>6 207 580,07</b>	<b>7 092 760,83</b>
Other income (3)		
Management fees and depreciation and amortisation (4)	2 056 303,54	2 741 700,12
<b>Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)</b>	<b>4 151 276,53</b>	<b>4 351 060,71</b>
Revenue adjustment for the financial year (5)	347 798,87	-453 982,69
Interim dividends paid on net income for the financial year (6)		
<b>Net income (1 - 2 + 3 - 4 + 5 - 6)</b>	<b>4 499 075,40</b>	<b>3 897 078,02</b>

## NOTES TO THE FINANCIAL STATEMENTS

### ACCOUNTING RULES AND PRINCIPLES

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

The general accounting principles apply:

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

### Asset valuation rules

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

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

○ **Fixed-income securities**

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

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

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

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price under the responsibility of the management company of the Fund.

These estimates and their supporting documentation will be provided to the statutory auditor during audits.

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

○ **Negotiable debt securities**

- **Negotiable debt securities with a residual maturity of more than three months:**

Negotiable debt securities traded in large volumes are valued at market price.

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

Benchmark rate	
Negotiable debt securities in euros	Negotiable debt securities in other currencies
Euribor, 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.

➤ **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 Fund's currency) multiplied by the number of contracts multiplied by the face value.

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

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

## **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:

$$\frac{\text{Net assets} \times \text{operating and management fees rate} \times \text{number of days between the NAV calculation date and the previous NAV calculation date}}{365 \text{ (or 366 in a leap year)}}$$

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

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

financial management;

administration and accounting;

custody services;

other operating fees:

statutory auditors' fees;

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

These fees do not include transaction charges.

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

<b>Expenses charged to the Fund</b>	<b>Basis</b>	<b>Rate</b>		
Financial management fees	Net assets	IC units: Maximum 1,08% incl. taxes ID units: Maximum 1,08% incl. taxes R units: Maximum 1,73% incl. taxes S units: Maximum 0,65% incl. taxes T units: Maximum 1,08% incl. taxes		
Administrative fees external to the management company	Net assets	IC, ID, S, T and R units: Maximum 0,02% incl. taxes		
Turnover commission (incl. taxes): (0 to 100% received by the management company and 0 to 100% received by the custodian)	Maximum charge on each transaction	French equities	Up to € 100 000	0,48%
			From €100 001 to €200 000	0,31%
			From €200 001 to €300 000	0,24%
			Over € 300 000	0,17%
		Eurozone equities excluding France	Up to € 100 000	0,90%
			From €100 001 to €200 000	0,58%
			From €200 001 to €300 000	0,45%
Over € 300 000	0,31%			
Fixed-income instruments	None			
Futures and other transactions	between €0 and €450 incl. tax per contract			
Performance fee	Net assets	15% of annual performance above the Euro Stoxx index (net dividends reinvested)*		

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 619.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

\* Calculation of the performance fee:

Performance fees are calculated using a high water mark system based on a comparison of the performance of the S units of the Fund's assets (excluding variable management fees) with the assets of a benchmark fund:

- with a baseline value equal to the value of the Fund's S units at the close of the last year to date in which performance fees were charged;
- and with a daily performance equal to that of the Euro Stoxx (net dividends reinvested) in euros and registering the same variations in subscriptions and redemptions as the Fund's S units.

If, at the close of the financial year, the assets of the Fund's S units (excluding variable management fees) exceed those of the benchmark fund, a performance fee will be charged equal to 15% (including taxes) of the difference in value between the assets of the Fund's S units and the benchmark fund.

The performance fee will first be deducted after a period of 12 months or more.

Performance fees are accrued on each NAV calculation date and are levied with effect from the closing date of each financial year.

A provision reversal will be booked every time that the difference between the two asset values decreases. If the Fund underperforms, i.e. if the asset value of the S units is lower than that of the benchmark fund, the provision will be reversed up to the full amount of the existing allocation, excluding variable management fees earned.

The provisions in existence at the end of the financial year, and the portion of the fee deriving from purchases of units during the financial year, will be paid to the management company.

## **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><i>Distributable income</i></b>	<b><i>IC, S units</i></b>	<b><i>ID units</i></b>	<b><i>R, T units</i></b>
Allocation of net income	Accumulation	distribution	accumulation and/or distribution and/or retention
Allocation of net realised capital gains or losses	Accumulation	accumulation and/or distribution and/or retention	accumulation and/or distribution and/or retention

- **CHANGE IN NET ASSETS in euros**

	<b>30/09/2019</b>	<b>28/09/2018</b>
<b>Net assets at start of year</b>	<b>219 717 328,26</b>	<b>259 570 716,22</b>
Subscriptions (including subscription fees retained by the Fund)	46 462 805,62	101 931 531,21
Redemptions (net of redemption fees retained by the Fund)	-64 349 101,53	-131 949 657,27
Realised capital gains on deposits and financial instruments	7 975 919,77	15 448 247,46
Realised capital losses on deposits and financial instruments	-9 131 766,74	-1 900 219,46
Realised capital gains on forward financial instruments		
Realised capital losses on forward financial instruments		
Transaction charges	-1 132 831,62	-1 344 221,77
Exchange rate differences	140 653,99	118 855,74
Changes in valuation difference of deposits and financial instruments	-669 524,09	-26 102 837,00
Valuation difference for financial year N	5 685 867,35	6 355 391,44
Valuation difference for financial year N-1	-6 355 391,44	-32 458 228,44
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	-743 404,31	-406 147,58
Net profit/loss for the financial year prior to income adjustment	4 151 276,53	4 351 060,71
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>202 421 355,88</b>	<b>219 717 328,26</b>

• **BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS**

	Amount	%
<b>Assets</b>		
<b>Bonds and similar securities</b>		
Bonds and similar securities		
<b>TOTAL Bonds and similar securities</b>		
<b>Debt securities</b>		
Debt securities		
<b>TOTAL Debt securities</b>		
<b>Liabilities</b>		
<b>Sales of financial instruments</b>		
Equities and similar securities		
<b>TOTAL Sales of financial instruments</b>		
<b>Off-balance sheet items</b>		
<b>Hedging transactions</b>		
Equities		
<b>TOTAL Hedging transactions</b>		
<b>Other transactions</b>		
Equities		
<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								
Debt securities								
Temporary securities transactions								
Financial accounts							1 525 451,49	0,75
<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										
Debt securities										
Temporary securities transactions										
Financial accounts	1 525 451,49	0,75								
<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:	%	Amount:	%	Amount:	%	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	30/09/2019
Receivables	Deferred settlement sale	337 285,52
	Subscription receivables	4 535,10
<b>Total receivables</b>		<b>341 820,62</b>
Liabilities	Redemptions payable	32 605,51
	Management fees	178 411,72
<b>Total liabilities</b>		<b>211 017,23</b>

- NUMBER OF SECURITIES ISSUED OR REDEEMED**

	In units	In amounts
<b>S units</b>		
Units subscribed during the financial year		
Units redeemed during the financial year		
Net balance of subscriptions/redemptions		
<b>IC unit</b>		
Units subscribed during the financial year	64 480,761	41 990 638,34
Units redeemed during the financial year	-94 325,599	-59 692 605,60
Net balance of subscriptions/redemptions	-29 844,838	-17 701 967,26
<b>T units</b>		
Units subscribed during the financial year		
Units redeemed during the financial year	-20,000	-9 259,90
Net balance of subscriptions/redemptions	-20,000	-9 259,90
<b>ID units</b>		
Units subscribed during the financial year		
Units redeemed during the financial year	-110,000	-13 731,30
Net balance of subscriptions/redemptions	-110,000	-13 731,30
<b>R units</b>		
Units subscribed during the financial year	4 200,070	4 472 167,28
Units redeemed during the financial year	-4 245,343	-4 633 504,73
Net balance of subscriptions/redemptions	-45,273	-161 337,45

- SUBSCRIPTION AND/OR REDEMPTION FEES**

	In amounts
<b>S units</b>	
Redemption fees retained Subscription fees retained Total fees retained	
<b>IC units</b>	
Redemption fees retained Subscription fees retained Total fees retained	
<b>ID units</b>	
Redemption fees retained Subscription fees retained Total fees retained	
<b>T units</b>	
Redemption fees retained Subscription fees retained Total fees retained	
<b>R units</b>	
Redemption fees retained Subscription fees retained Total fees retained	

- MANAGEMENT FEES**

	<b>30/09/2019</b>
<b>S units</b>	
Guarantee fees	
Fixed management fees	61,79
Percentage of fixed management fees	0,66
Variable management fees	
Retrocessions of management fees	
<b>IC units</b>	
Guarantee fees	
Fixed management fees	1 474 456,55
Percentage of fixed management fees	1,09
Variable management fees	
Retrocessions of management fees	
<b>ID units</b>	
Guarantee fees	
Fixed management fees	427 742,45
Percentage of fixed management fees	1,09
Variable management fees	
Retrocessions of management fees	
<b>T units</b>	
Guarantee fees	
Fixed management fees	3 506,70
Percentage of fixed management fees	1,09
Variable management fees	
Retrocessions of management fees	
<b>R units</b>	
Guarantee fees	
Fixed management fees	150 536,05
Percentage of fixed management fees	1,74
Variable management fees	
Retrocessions of management fees	

- COMMITMENTS RECEIVED AND GIVEN**

**Guarantees received by the Fund:**

None.

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

None.

- **PRESENT VALUE OF SECURITIES HELD TEMPORARILY**

	<b>30/09/2019</b>
Securities held under repurchase agreements	
Borrowed securities	

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

	<b>30/09/2019</b>
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**

	<b>ISIN Code</b>	<b>Description</b>	<b>28/09/2018</b>
Equities			
Bonds			
Negotiable debt securities			
UCIs			7 759 855,50
	FR0010941815	LAZARD EURO MONEY MARKET	5 137 862,70
	FR0013301389	LAZARD EUROPEAN INNOVATION PART E	2 621 992,80
Forward financial instruments			

• **TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME PERTAINING TO NET INCOME**

	30/09/2019	28/09/2018
<b>Remaining amounts to be allocated</b>		
Retained earnings	640,64	2 425,88
Net income	4 499 075,40	3 897 078,02
<b>Total</b>	<b>4 499 716,04</b>	<b>3 899 503,90</b>

	30/09/2019	28/09/2018
<b>IC units</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	3 431 472,69	3 055 172,71
<b>Total</b>	<b>3 431 472,69</b>	<b>3 055 172,71</b>

	30/09/2019	28/09/2018
<b>S units</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	261,29	207,57
<b>Total</b>	<b>261,29</b>	<b>207,57</b>

	30/09/2019	28/09/2018
<b>ID units</b>		
<b>Appropriation</b>		
Distribution	922 423,00	743 404,31
Balance brought forward for the financial year	2 659,84	640,85
Accumulation		
<b>Total</b>	<b>925 082,84</b>	<b>744 045,16</b>
<b>Information on units with dividend rights</b>		
Number of units	325 944,522	326 054,522
Dividend per unit	2,83	2,28
<b>Tax credits</b>		
Tax credit attached to the distribution of earnings	86 549,72	110 182,07

	30/09/2019	28/09/2018
<b>T units</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	7 510,43	6 337,64
<b>Total</b>	<b>7 510,43</b>	<b>6 337,64</b>

	30/09/2019	28/09/2018
<b>R units</b>		
<b>Appropriation</b>		
Distribution		
Balance brought forward for the financial year		
Accumulation	135 388,79	93 740,82
<b>Total</b>	<b>135 388,79</b>	<b>93 740,82</b>

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

	30/09/2019	28/09/2018
<b>Remaining amounts to be allocated</b>		
Undistributed net capital gains and losses recognised in previous years		6 092 637,58
Net capital gains and losses for the year	-2 198 023,79	11 133 288,47
Interim dividends paid on net capital gains/losses for the financial year		
<b>Total</b>	<b>-2 198 023,79</b>	<b>17 225 926,05</b>

	30/09/2019	28/09/2018
<b>IC units</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-1 654 751,60	8 607 186,92
<b>Total</b>	<b>-1 654 751,60</b>	<b>8 607 186,92</b>

	30/09/2019	28/09/2018
<b>S units</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-106,57	266,84
<b>Total</b>	<b>-106,57</b>	<b>266,84</b>

	30/09/2019	28/09/2018
<b>ID units</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-449 438,62	8 190 986,46
<b>Total</b>	<b>-449 438,62</b>	<b>8 190 986,46</b>

	30/09/2019	28/09/2018
<b>T units</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-3 621,84	8 705,52
<b>Total</b>	<b>-3 621,84</b>	<b>8 705,52</b>

	30/09/2019	28/09/2018
<b>R units</b>		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-90 105,16	418 780,31
<b>Total</b>	<b>-90,105,16</b>	<b>418 780,31</b>

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

	30/09/2015	30/09/2016	29/09/2017	28/09/2018	30/09/2019
<b>Global net assets in euros</b>	<b>220 433 352,24</b>	<b>190 531 319,41</b>	<b>259 570 716,22</b>	<b>219 717 328,26</b>	<b>202 421 355,88</b>
<b>LAZARD ACTIONS EURO S Units</b>					
Global net assets in euros				9 640,84	9 858,94
Number of units				1,000	1,000
Net asset value per unit in euros				9 640,84	9 858,94
Accumulation per unit pertaining to net capital gains/losses in euros				266,84	-106,57
Accumulation per unit pertaining to net income in euros				207,57	261,29
<b>LAZARD ACTIONS EURO IC</b>					
Net assets in euros	179 338 573,94	156 002 459,69	217 494 334,86	169 902 389,60	152 690 304,30
Number of units	325 927,875	277 137,887	313 340,878	254 278,566	224 433,728
Net asset value per unit in euros	550,24	562,90	694,11	668,17	680,33
Accumulation per unit pertaining to net capital gains/losses in euros	36,00	17,32	48,33	33,84	-7,37
Accumulation per share pertaining to net income in euros	8,06	9,87	8,62	12,01	15,28
<b>LAZARD ACTIONS EURO ID</b>					
Net assets in euros	32 728 069,73	32 676 349,47	32 743 251,52	41 235 129,84	41 111 517,94
Number of units	298 043,000	297 914,403	246 150,054	326 054,522	325 944,522
Net asset value per unit in euros	109,80	109,68	133,02	126,46	126,13
Distribution per unit pertaining to net capital gains/losses in euros	1,14				
Accumulation per unit pertaining to net capital gains/losses in euros				25,12	-1,37
Distribution per unit pertaining to net income in euros	1,60	1,92	1,65	2,28	2,83
Retained earnings per unit pertaining to net income in euros					
Tax credit per unit in euros					*
<b>LAZARD ACTIONS EURO T Units</b>					
Net assets in euros				337 626,80	334 196,22
Number of units				718,009	698,009
Net asset value per unit in euros				470,22	478,78
Accumulation per unit pertaining to net capital gains/losses in euros				12,12	-5,18
Accumulation per share pertaining to net income in euros				8,82	10,75

\* The tax credit per unit 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**

	<b>30/09/2015</b>	<b>30/09/2016</b>	<b>29/09/2017</b>	<b>28/09/2018</b>	<b>30/09/2019</b>
<b>Global net assets in euros</b>	<b>220 433 352,24</b>	<b>190 531 319,41</b>	<b>259 570 716,22</b>	<b>219 717 328,26</b>	<b>202 421 355,88</b>
<b>LAZARD ACTIONS EURO "R"</b>					
Net assets in euros	8 366 708,57	1 852 510,25	9 333 129,84	8 232 541,18	8 275 478,48
Number of units	8 727,182	1 901,065	7 817,008	7 209,518	7 164,245
Net asset value per unit in euros	958,69	974,45	1 193,95	1 141,89	1 155,10
Accumulation per unit pertaining to net capital gains/losses in euros	62,72	29,99	83,14	58,08	-12,57
Accumulation per share pertaining to net income in euros	7,55	10,82	7,82	13,00	18,89

\* The tax credit per unit 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>Equities and similar securities</b>				
<b>Equities and similar securities traded on a regulated or similar market</b>				
<b>GERMANY</b>				
ALLIANZ SE	EUR	30 300	6 479 655,00	3,20
BAYER	EUR	34 650	2 241 508,50	1,11
BMW BAYERISCHE MOTOREN WERKE	EUR	61 740	3 987 786,60	1,97
CONTINENTAL AG O.N.	EUR	16 590	1 952 643,00	0,96
DEUTSCHE BOERSE AG	EUR	20 620	2 956 908,00	1,46
DEUTSCHE TELEKOM AG	EUR	355 990	5 480 110,06	2,71
MERCK KGA	EUR	43 010	4 445 083,50	2,20
MUENCHENER RUECKVERSICHERUNG AG	EUR	18 190	4 318 306,00	2,13
SAP SE	EUR	80 950	8 732 886,00	4,32
SIEMENS AG-REG	EUR	53 950	5 300 587,50	2,62
<b>TOTAL GERMANY</b>			<b>45 895 474,16</b>	<b>22,68</b>
<b>AUSTRIA</b>				
VOEST-ALPINE AG	EUR	65 390	1 378 421,20	0,68
<b>TOTAL AUSTRIA</b>			<b>1 378 421,20</b>	<b>0,68</b>
<b>BELGIUM</b>				
ANHEUSER BUSCH INBEV SA/NV	EUR	68 580	5 995 263,60	2,96
KBC GROUPE	EUR	47 130	2 809 890,60	1,39
UNION CHIMIQUE BELGE/ UCB	EUR	41 420	2 758 572,00	1,36
<b>TOTAL BELGIUM</b>			<b>11 563 726,20</b>	<b>5,71</b>
<b>SPAIN</b>				
BANCO SANTANDER S.A.	EUR	980 530	3 663 750,35	1,81
<b>TOTAL SPAIN</b>			<b>3 663 750,35</b>	<b>1,81</b>
<b>FINLAND</b>				
SAMPO OYJ A	EUR	71 260	2 599 564,80	1,28
WAERTSILAE CORPORATION	EUR	187 210	1 923 582,75	0,95
<b>TOTAL FINLAND</b>			<b>1 923 582,75</b>	<b>2,23</b>
<b>FRANCE</b>				
AIR LIQUIDE	EUR	34 230	4 470 438,00	2,21
AIR LIQUIDE PRIME DE FIDELITE	EUR	2	261,20	
AMUNDI	EUR	36 230	2 318 720,00	1,15
ATOS	EUR	40 188	2 599 359,84	1,28
AXA	EUR	217 800	5 103 054,00	2,52
BNP PARIBAS	EUR	97 620	4 360 685,40	2,15
BUREAU VERITAS	EUR	136 480	3 016 208,00	1,49
CAPGEMINI SE	EUR	29 920	3 234 352,00	1,60
CARREFOUR	EUR	223 860	3 595 191,60	1,78
EIFFAGE	EUR	47 660	4 533 419,20	2,24
ESSILORLUXOTTICA	EUR	26 740	3 536 365,00	1,75
IMERYS EX IMETAL	EUR	51 320	1 892 681,60	0,94
LEGRAND SA HOLDING	EUR	38 400	2 514 432,00	1,24
L'OREAL	EUR	18 100	4 649 890,00	2,30
L'OREAL PRIME DE FIDELITE	EUR	1	256,90	
LVMH (LOUIS VUITTON - MOET HENNESSY)	EUR	18 970	6 917 410,50	3,43

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
MICHELIN - CATEGORY B	EUR	31 680	3 244 032,00	1,60
ORANGE	EUR	333 940	4 807 066,30	2,37
PUBLICIS GROUPE SA	EUR	86 115	3 885 508,80	1,92
REXEL	EUR	192 630	1 891 241,34	0,93
SAINT-GOBAIN	EUR	120 030	4 321 080,00	2,13
SANOFI	EUR	91 250	7 761 725,00	3,84
SCHNEIDER ELECTRIC SA	EUR	31 220	2 513 210,00	1,24
SOCIETE GENERALE SA	EUR	133 950	3 367 503,00	1,66
VINCI (EX SGE)	EUR	49 360	4 877 755,20	2,41
<b>TOTAL FRANCE</b>			<b>89 411 846,88</b>	<b>44,18</b>
<b>IRELAND</b>				
KERRY GROUP	EUR	36 170	3 881 041,00	1,91
RYANAIR HOLDINGS PLC	EUR	206 660	2 181 296,30	1,08
<b>TOTAL IRELAND</b>			<b>6 062 337,30</b>	<b>2,99</b>
<b>LUXEMBOURG</b>				
APERAM	EUR	90 630	2 024 674,20	1,00
<b>TOTAL LUXEMBOURG</b>			<b>2 024 674,20</b>	<b>1,00</b>
<b>NETHERLANDS</b>				
AKZO NOBEL	EUR	34 370	2 811 122,30	1,39
ASML HOLDING NV	EUR	32 680	7 426 530,00	3,67
HEINEKEN	EUR	49 090	4 867 764,40	2,40
ING GROEP NV	EUR	383 340	3 681 597,36	1,82
UNILEVER NV	EUR	121 860	6 720 579,00	3,32
<b>TOTAL NETHERLANDS</b>			<b>25 507 593,06</b>	<b>12,60</b>
<b>SUISSE</b>				
LAFARGEHOLCIM LTD	EUR	65,890	2,974,274,60	1,47
<b>TOTAL SWITZERLAND</b>			<b>2 974 274,60</b>	<b>1,47</b>
<b>TOTAL Equities and similar securities traded on regulated or similar markets</b>			<b>193 005 245,50</b>	<b>95,35</b>
<b>TOTAL Equities and similar securities</b>			<b>193 005 245,50</b>	<b>95,35</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 MONEY MARKET	EUR	5	5 137 862,70	2,53
LAZARD EUROPEAN INNOVATION PART E	EUR	240	2 621 992,80	1,30
<b>TOTAL FRANCE</b>			<b>7 759 855,50</b>	<b>3,83</b>
<b>TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries</b>			<b>7 759 855,50</b>	<b>3,83</b>
<b>TOTAL Undertakings for collective investment</b>			<b>7 759 855,50</b>	<b>3,83</b>
<b>Receivables</b>			<b>341 820,62</b>	<b>0,17</b>
<b>Liabilities</b>			<b>-211 017,23</b>	<b>-0,10</b>
<b>Financial accounts</b>			<b>1 525 451,49</b>	<b>0,75</b>
<b>Net assets</b>			<b>202 421 355,88</b>	<b>100,00</b>

<b>LAZARD ACTIONS EURO T Units</b>	<b>EUR</b>	<b>698,009</b>	<b>478,78</b>
<b>LAZARD ACTIONS EURO IC</b>	<b>EUR</b>	<b>224 433,728</b>	<b>680,33</b>
<b>LAZARD ACTIONS EURO "R"</b>	<b>EUR</b>	<b>7 164,245</b>	<b>1 155,10</b>
<b>LAZARD ACTIONS EURO S Units</b>	<b>EUR</b>	<b>1,000</b>	<b>9 858,94</b>
<b>LAZARD ACTIONS EURO ID</b>	<b>EUR</b>	<b>325 944,522</b>	<b>126,13</b>

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

BREAKDOWN OF INTEREST: ID

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Revenue subject to non-definitive withholding tax				
Equities eligible for a tax allowance and subject to non-definitive withholding tax	922 423,00	EUR	2,83	EUR
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				
<b>TOTAL</b>	<b>922 423,00</b>	<b>EUR</b>	<b>2,83</b>	<b>EUR</b>