

KEY INFORMATION DOCUMENT

Lazard Human Capital



OBJECTIVE

This document contains key information about the investment product. It is not a sales document. This information is required by law to help you understand the nature and potential risks, costs, gains and losses of this product and to help you compare it to other products.

PRODUCT

Product name:	Lazard Human Capital - Share PC EUR, sub-fund of LAZARD FUNDS
ISIN code:	FR0014009F48
PRIIPS initiator:	LAZARD FRERES GESTION SAS
Website:	www.lazardfreresgestion.fr
Contact:	Call +33 (0)1 44 13 01 79 for more information
Competent authority:	The Autorité des marchés financiers (AMF) is responsible for supervising LAZARD FRERES GESTION SAS in relation to this Key Information Document.
Country of authorisation and approval:	LAZARD FRERES GESTION SAS is approved in France under no. GP-04000068 and regulated by the AMF.
Date of production of the Key Information Document:	02/04/2024

WHAT IS THIS PRODUCT?

Type: Organisme de Placement Collectif en Valeurs Mobilières (OPCVM), Société d'Investissement à Capital Variable (SICAV)

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

Objectives:

The investment objective of the Sub-fund is to outperform, by applying a Socially Responsible Investment (SRI) management approach, the benchmark index, the MSCI World Index of developed markets, net of fees, over the recommended investment period of 5 years, by investing in companies that provide solutions to sustainable development issues and stand out for the quality of their Human Capital management: i.e. the process implemented by the company to train, transmit knowledge, motivate, retain and recruit its employees according to its needs as part of its development strategy. However, due to the reduction of the investment universe by the manager, the performance of the UCI may diverge from this benchmark index. The management of the Sub-fund ensures that the companies selected do not harm other environmental and social criteria and that they have good governance principles (ESG). The Sub-fund is analysed according to a dual materiality principle: the manager, supported by Lazard Frères Gestion's ESG specialists, analyses the risks linked to poor Human Capital management and seeks to leverage the opportunities generated by the companies with the best social practices on five indicators: the number of training hours per employee per year, the percentage of women in senior management, the annual staff turnover rate, the involvement of management in employee training on diversity-related topics, the extent of the allocation of social benefits. The companies selected are systematically identified as the best on at least one indicator. The extra-financial analysis of this Sub-fund promotes corporate social practices through a policy of engagement and a policy of voting at general meetings. An internal Human Capital score assesses the overall Human Capital performance of the stocks on a quarterly basis.

The Sub-fund has a social objective within the meaning of Article 9 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR).

Starting from the "MSCI World Developed Markets", we carry out several selection steps. To define a reduced investment universe, we apply the filter based on five criteria and we select:

1) The best ranked companies on at least one of the following indicators:

- The number of training hours per employee per year (quantitative indicator);
- The proportion of women in senior management positions (quantitative indicator);
- The annual turnover rate of the workforce (quantitative indicator);
- Management's involvement in training employees on diversity-related topics (qualitative indicator);
- The extent to which social benefits are granted (qualitative indicator). In accordance with a "Best in Universe" approach, companies are included in the investment universe only if they are among the top 10% on quantitative indicators or if MSCI ESG Manager awards them the highest level on qualitative indicators, described by a sentence.

From this reduced universe, we eliminate the 20% worst-rated stocks based on our Internal Human Capital Score to obtain our investment universe. We first established a score on each indicator, the overall Human Capital score is obtained from an equally weighted average of the scores on each of the 5 indicators. To calculate this score, we use the gross indicators of the external service provider MSCI ESG Manager, which we supplement and update with data obtained from engagement with companies. These indicators are aggregated into a score between 0 and 10, based on a scale defined by the fund manager and the ESG analysts. The overall Human Capital score is obtained from an equally weighted average of the scores on each indicator. This score then allows us to reduce the starting universe by 20% to arrive at the final Human Capital investment universe. While a stock enters the investment universe on only one of the indicators, reducing the starting universe to the final investable universe is done by taking into account the company's performance on all five indicators. Following this final exclusion stage, we have the final investment universe.

If a security held in the portfolio is not eligible for the universe, the position will be sold within three months.

Some portfolio companies may have ESG practices that could be improved and/or be exposed to certain sectors where environmental, social or governance issues remain significant. However, the extent and manner in which sustainable investment issues and risks are integrated into its strategy vary depending on factors such as the asset class, the geographic area and the financial instruments used. At least 90% of the portfolio's net assets shall be invested in international shares. At least 90% of the portfolio's net assets will be invested in large cap equities (above \$10 billion) listed in developed countries as defined by the MSCI World and a maximum of 10% of the net assets in small and mid cap equities (below \$10 billion) listed in developed countries as defined by the MSCI World. The Sub-fund may invest up to the amount of the net assets (without seeking overexposure) in equity, equity index and currency futures, equity and equity index options, currency swaps and currency forwards, traded on regulated and organized markets, to hedge the portfolio against equity and currency risks. This is a discretionary and non-permanent use depending on market developments. The Sub-Fund is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, stock picking and weighting. ESG analysis is based on a proprietary model shared by the teams in charge of financial management in the form of an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agency, external service providers, etc.), reports on the social responsibility (CSR) of each company and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG rating. This score is based on both a quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative approach (solidity of environmental policy, employment strategy, competence of directors, etc.). These ESG scores are built into the valuation models via the beta used to set the weighted average cost of capital (WACC).

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

initial universe for Lazard Human Capital is the MSCI World Index of developed countries. The ESG rating of the initial universe is calculated after excluding 20% of the lowest-rated stocks. In the context of SRI management, the analyst-managers ensure that the UCI's average ESG rating is higher than the average ESG rating of the initial investment universe. The methodology for covering issuers through ESG analysis is detailed in the prospectus.

Allocation of distributable income:

- Allocation of net income: Accumulation

- Allocation of net realised capital gains: Accumulation

Right of redemption: Orders are executed as indicated in the table below

Business day	Day on which NAV is set (d)	The business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
Daily order reception and Daily centralisation of redemption orders before 12:00 p.m. (Paris time)	Order executed by the latest on d	Publication of the net asset value	Settlement of redemptions

Targeted retail investors: This product may be suitable for retail investors with a limited level of knowledge of financial markets and products who seek international equities exposure and who accept the risk of losing part of the invested capital.

The Sub-fund may not be offered or sold in the United States. For further information, please refer to section "11. Eligible subscribers and typical investor profile" in the prospectus.

Recommendation: This Sub-fund may not be suitable for investors planning to withdraw their investment within 5 years

Name of custodian: CACEIS BANK

Where/how to obtain information on the UCI :

All other practical information on this product, including the latest unit price, the prospectus, the latest annual and periodic reports, the composition of assets and the standards of LAZARD FRERES GESTION SAS with regard to the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France.

WHAT ARE THE RISKS AND WHAT'S IN IT FOR ME?

Risk indicator:



The risk indicator assumes that you keep the product for 5 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return.

Other sizeable risks not taken into account in the indicator:

Recommended holding period:

5 years

- Liquidity risk

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product in the risk class 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity LAZARD FRERES GESTION SAS to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment.

Performance scenarios:

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you get from this product depends on future market performance. Future market developments are uncertain and cannot be accurately predicted.

The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product and of a benchmark index over the past 10 years. The scenarios presented represent examples based on past performance and certain assumptions. Markets could evolve very differently in the future.

Recommended holding period: 5 years Investment example: 10000 €			
Scenarios		If you exit after 1 year	If you exit after 5 years
<i>Minimum</i>			
<i>There is no guaranteed minimum return. You could lose all or part of your investment.</i>			
Pressure	<i>What you could get after deducting costs</i>	1290 €	3850 €
	Average annual return	-87.1%	-17.4%
Unfavourable	<i>What you could get after deducting costs</i>	8750 €	8750 €
	Average annual return	-12.5%	-2.6%
Intermediary	<i>What you could get after deducting costs</i>	10700 €	16050 €
	Average annual return	7.0%	9.9%
Favourable	<i>What you could get after deducting costs</i>	14390 €	18980 €
	Average annual return	43.9%	13.7%

The stress scenario shows what you could get in extreme market situations.

Unfavourable scenario: This type of scenario occurred for an investment between 29/12/2021 - 29/12/2022

Intermediate scenario: This type of scenario occurred for an investment between 29/05/2021 - 29/05/2022

Favourable scenario: This type of scenario occurred for an investment between 29/03/2020 - 29/03/2021

WHAT HAPPENS IF LAZARD FRERES GESTION SAS IS UNABLE TO MAKE THE PAYMENTS?

The product is a co-ownership of financial instruments and deposits separate from the portfolio management company. In the event of default by the latter, the assets of the product held by the custodian will not be affected. In the event of default by the custodian, the

risk of financial loss to the product is mitigated by the legal segregation of the assets of the custodian from those of the product.

WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

Costs over time:

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed: - that in the first year you would get back the amount you invested (annual return of 0.0%) - that for the remaining holding periods, the product evolves as indicated in the intermediate scenario - that 10000 EUR are invested

	If you exit after 1 year	If you exit after 5 years
Total costs	383 €	1758 €
Impact of annual costs (*)	3.9%	2.5% every year

(*) It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 12.4% before deduction of costs and 9.9% after that deduction.

Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	2.00% of the amount invested. This is the maximum amount you could be required to pay. The person selling you the product will inform you of the actual costs.	Up to 200 €
Exit costs	We do not charge exit costs.	0 €
Recurring costs incurred each year		
Management fees and other administrative and operating costs	1.14% of the value of your investment per year. This estimate is based on actual costs over the past year.	111 €
Transaction costs	0.74% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	72 €
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	0 €

HOW LONG DO I HAVE TO HOLD IT AND CAN I WITHDRAW MONEY EARLY?

Recommended holding period: 5 years

This product does not have a minimum holding period requirement. The recommended holding period (5 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

HOW CAN I MAKE A CLAIM?

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By e-mail: lfg.juridique@lazard.fr

A description of the complaint handling process is available on our website at www.lazardfreresgestion.fr.

OTHER RELEVANT INFORMATION

The Sub-fund has an environmental objective as defined by Article 9 of Regulation (EU) 2019/2088, known as "SFDR".

Further information on this product can be found on the website LAZARD FRERES GESTION SAS. A hard copy may be obtained free of charge on written request to LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France. You can also find information on the product's performance over the past years and performance scenario calculations at

https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=LH1. Where this product is used as a unit-linked vehicle for a life insurance or capitalisation contract, additional information about this contract, such as the costs of the contract, which are not included in the costs indicated in this document, the contact in the event of a claim and what happens in the event of default of the insurance company, are presented in the key information document of this contract which must be provided by your insurer or broker or any other insurance intermediary in accordance with their legal obligation. If you disagree with the response to your complaint, you may choose to contact the AMF Ombudsman (Autorité des Marchés Financiers - 17 place de la Bourse, 75082 Paris Cedex 02), once you have exhausted all internal appeal procedures. The form for requesting mediation from the AMF and the mediation charter are available on the website <http://www.amf-france.org>.

Your Sub-fund has a redemption gate mechanism. Please refer to section 15 of the prospectus.