

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

LAZARD ALPHA EUROPE

ANNUAL REPORT

as at June 30th, 2023

Management company: Lazard Frères Gestion
SAS

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

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KEY INFORMATION DOCUMENT

Lazard Alpha Europe



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 Alpha Europe - A shares
ISIN code:	FR0000294613
PRIIPS Initiator:	LAZARD FRERES GESTION SAS
Website:	www.lazardfreresgestion.fr
Contact:	+33 (0)1 44 13 01 79
Competent authority:	The French Financial Markets Authority (Autorité des Marchés Financiers- AMF)
Country of authorisation and approval:	This product is authorised in France. This product is authorised in accordance with the UCITS Directive.
Document production date:	21/12/2022

WHAT DOES THIS PRODUCT CONSIST OF?

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

Maturity: This product does not have a maturity date

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 equity exposure and who accept the risk of losing part of the invested capital. This product is not suitable for investors who do not have the recommended investment horizon (5 years).

Objectives:

The Fund aims to outperform the following simple benchmark index net of charges over a recommended investment period of five years: Stoxx Europe 600. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

The strategy implemented is based on:

- 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 focused on 30-80 European large- and mid-cap securities, with no other constraints with regard to sector.

At least 90% of the net assets in the SICAV's portfolio are invested in equities, predominantly European large caps, although this is an objective rather than a constraint. To manage cash flow, the SICAV may invest a maximum of 10% of the net assets in debt securities and money market instruments.

It may also invest up to a maximum of 10% of its net assets in shares or units of French or foreign UCITS (including those managed by the management company). Investment solely in UCITS that invest less than 10% of their assets in other UCI. These UCIs may be managed by the management company.

The SICAV may use currency swaps and currency forwards, or, up to a maximum of 30% of the net assets, equity and equity index futures or currency futures traded on regulated, organised and/or OTC markets to hedge the portfolio and/or expose (without overexposure) it to equity risk and currency risk. The SICAV may also use currency derivatives exclusively for hedging.

The SICAV may invest a maximum of 5% of the net assets in securities with embedded derivatives.

Benchmark Information: The UCI is actively managed. The management strategy is unconstrained by the securities making up the benchmark index.

Other information: Environmental, Social and Governance (ESG) criteria are integrated into management through an internal analysis and rating model that directly influences management without being a determining factor in decision-making.

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR).

Allocation of distributable income:

- Allocation of net income: Accumulation
- Allocation of net realised capital gains: Accumulation

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

Business day	Day of establishment of the NAV (D)	The business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt of orders and daily centralisation of subscription and redemption orders before 11:00 a.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

Name of custodian: LAZARD FRERES BANQUE

Where/how to obtain information on the UCI:

The Fund's prospectus, latest annual and periodic reports, the composition of assets and LAZARD FRÈRES GESTION SAS's standards regarding the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to LAZARD FRERES GESTION SAS.

WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

Risk indicator:



Recommended holding period:
5 years



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.

This product provides no guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption.

Other sizeable risks not taken into account in the indicator:

- 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 risk class 5 of 7, which is a risk class between medium and high.

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 will 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 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: €10 000			
Scenarios		If you exit after 1 year	If you exit after 5 years
Minimum	There is no guaranteed minimum return. You could lose all or part of your investment.		
Pressure	What you could get after deducting costs	1 270 €	2 940 €
	Average annual return	-87,3%	-21,7%
Unfavourable	What you could get after deducting costs	7 280 €	2 940 €
	Average annual return	-27,2%	-21,7%
Intermediary	What you could get after deducting costs	9 960 €	11 160 €
	Average annual return	-0,4%	2,2%
Favourable	What you could get after deducting costs	15 100 €	16 990 €
	Average annual return	51,0%	11,2%

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

Adverse scenario: This type of scenario occurred for an investment between 14/03/2019 and 14/03/2020

Interim scenario: This type of scenario occurred for an investment between 14/01/2020 and 14/01/2021

Favourable scenario: This type of scenario occurred for an investment between 14/05/2020 and 14/05/2021

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

LAZARD FRERES GESTION SAS manages the product but the product's assets are kept by the custodian. Consequently, a default by LAZARD FRÈRES GESTION SAS would not affect the product's assets.

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 will get back the amount you invested (annual return of 0%)
- for the other holding periods, the product evolves as indicated in the intermediate scenario
- €10 000 is invested

The costs presented do not include any life insurance policy costs.

	If you exit after 1 year	If you exit after 5 years
Total costs	582 €	1 495 €
Impact of annual costs	5,9%	2,8% 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 5,0% before deduction of costs and 2,2% after deduction of costs.

Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4,0% 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 400 €
Exit costs	We do not charge exit costs.	0 €
Recurring costs incurred each year		
Management fees and other administrative and operating costs	1,4% of the value of your investment per year. This estimate is based on actual costs over the past year.	135 €
Transaction costs	0,5% 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.	47 €
Incidental costs incurred under specific conditions		
Performance-related fees	0,0%. The actual amount varies depending on the performance of your investment. The above estimate of total costs includes the average over the past 5 years.	0 €

HOW LONG DO I HAVE TO KEEP 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 COMPLAINT?

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 email: lfg.juridique@lazard.fr

A description of the complaint handling process is available on our website at

www.lazardfreresgestion.fr.

OTHER RELEVANT INFORMATION

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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=VEA

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Lazard Alpha Europe



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PRODUCT

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ISIN code:	FR0011034131
PRIIPS Initiator:	LAZARD FRERES GESTION SAS
Website:	www.lazardfreresgestion.fr
Contact:	+33 (0)1 44 13 01 79
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- 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 focused on 30-80 European large- and mid-cap securities, with no other constraints with regard to sector.

At least 90% of the net assets in the SICAV's portfolio are invested in equities, predominantly European large caps, although this is an objective rather than a constraint.

To manage cash flow, the SICAV may invest a maximum of 10% of the net assets in debt securities and money market instruments.

It may also invest up to a maximum of 10% of its net assets in shares or units of French or foreign UCITS (including those managed by the management company). Investment solely in UCITS that invest less than 10% of their assets in other UCI.

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

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

Business day	Day of establishment of the NAV (D)	The business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
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Name of custodian: LAZARD FRERES BANQUE

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Other sizeable risks not taken into account in the indicator:

- Liquidity risk

Recommended holding period:

5 years

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Recommended holding period: 5 years Investment example: €10 000			
Scenarios		If you exit after 1 year	If you exit after 5 years
Minimum	There is no guaranteed minimum return. You could lose all or part of your investment.		
Pressure	What you could get after deducting costs	1 270 €	2 940 €
	Average annual return	-87,3%	-21,7%
Unfavourable	What you could get after deducting costs	7 210 €	2 900 €
	Average annual return	-27,9%	-21,7%
Intermediary	What you could get after deducting costs	9 860 €	10 610 €
	Average annual return	-1,4%	1,2%
Favourable	What you could get after deducting costs	14 940 €	16 170 €
	Average annual return	49,5%	10,1%

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

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We have assumed that:

- in the first year you will get back the amount you invested (annual return of 0%)
- for the other holding periods, the product evolves as indicated in the intermediate scenario
- €10 000 is invested

The costs presented do not include any life insurance policy costs.

	If you exit after 1 year	If you exit after 5 years
Total costs	678 €	2 025 €
Impact of annual costs	6,9%	3,8% 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 5,0% before deduction of costs and 1,2% after deduction of costs.

Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4,0% 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 400 €
Exit costs	We do not charge exit costs.	0 €
Recurring costs incurred each year		
Management fees and other administrative and operating costs	2,4% of the value of your investment per year. This estimate is based on actual costs over the past year.	231 €
Transaction costs	0,5% 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.	47 €
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	0 €

HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?**Recommended holding period: 5 years**

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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=VER

2. CHANGES AFFECTING THE UCI

The following decisions were made in relation to the SICAV **LAZARD ALPHA EUROPE** (ISIN code: FR0011034131), to make the following changes:

- 1) Update of the Taxonomy Regulation;
- 2) Editorial change to the investment policy as part of the ESG/SFDR update.
- 3) Subscription and redemption orders are accepted in shares and/or in amounts

➤ **Effective date 16/06/2022.**

The Board of Directors of the **LAZARD ALPHA EUROPE** SICAV (ISIN code: FR0011034131) dated 28/07/2022, took note of the following change:

❖ Calculation of the performance fee: change in the start date of the first observation period

➤ **Effective date: 01/12/2022.**

The KIID of the **LAZARD ALPHA EUROPE** SICAV (ISIN code: FR0011034131) was converted to the KID PRIIPS (Key Information Document and Packaged Retail Investment and Insurance-based Products) on January 1st, 2023, in accordance with the European regulations aimed at standardising pre-contractual information on financial products intended for retail investors.

Corporate governance (CSR) section

I. List of appointments

Directors' names	Number of offices held	List of offices and functions
Régis Bégue <i>Managing Director of Lazard Frères Gestion SAS</i>	3	<ul style="list-style-type: none">Chairman and Chief Executive Officer of the SICAVs:<ul style="list-style-type: none">- Lazard Alpha Euro SRI- Lazard Alpha EuropeBoard member of Lazard Equity SRI
Axel Laroza <i>Director of Lazard Frères Gestion SAS</i>	3	<ul style="list-style-type: none">Chairman of the board of directors of the SICAV Lazard Actifs RéelsCEO and board member of the SICAV Lazard Equity SRIDeputy CEO and board member of the SICAV Lazard Alpha Europe
Thomas Brenier <i>Managing Director of Lazard Frères Gestion SAS</i>	1	<ul style="list-style-type: none">Board member of the SICAV Lazard Alpha Europe

I. Agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code

The SICAV was not informed of the conclusion of any agreements covered by Article L225-37-4 para.2 of the French Commercial Code during the financial year ended June 30th, 2023.

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

No delegation of authority pursuant to Article L. 225-37-4 para.3 of the French Commercial Code was granted or was ongoing during the financial year ended June 30th, 2023.

III. Method of operation of the general management

The Board of Directors did not decide to separate the functions of Chairman and Chief Executive Officer, and the person who performs these functions bears the title of Chairman and Chief Executive Officer.

DIRECTORS' FEES

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

3. MANAGEMENT REPORT

PERFORMANCE

- ❖ The performance of the A shares over the period was 25,71%.
- ❖ The performance of the R shares over the period was 24,47%.

The performance of the benchmark over the period was: 16,49%

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

ECONOMIC ENVIRONMENT

Economy

Growth came as a welcome surprise in Western countries, despite central banks' efforts to curb activity and counter inflation. In the end, the economic repercussions of the energy crisis were less severe than expected in Europe, and the US economy proved resilient, with consumers continuing to spend from their savings. Chinese growth was held back by lockdowns before rebounding strongly after the restrictions were fully lifted. Thanks to lower energy prices and the easing of supply tensions, inflation has peaked in the US and Europe.

However, the improvement in the economic outlook seems fragile. Core inflation is proving persistent, the US economy is showing signs of a turnaround, the rebound in services is beginning to wane in the Eurozone, the recovery in the Chinese economy is running out of steam, and the sharp rise in interest rates has exposed weaknesses in the financial system, as evidenced by the failures of several regional banks in the US and UBS' urgent takeover of Credit Suisse in March 2023.

In the United States, GDP growth slowed to +1,8% year-on-year in Q1 2023. Job creation slowed to an average of +316 000 per month. The unemployment rate remained stable at 3,6%. Annual hourly wage growth slowed to +4,4%. The year-on-year increase in consumer prices slowed to +4,0% and +5,3% excluding energy and food.

The Fed raised its key rate by +3,5% to a range of 5,00%-5,25%, in the following sequence: three consecutive +0,75% hikes between July and November 2022, +0,50% in December 2022 and three consecutive +0,25% hikes in February, March and May 2023. After ten consecutive rate hikes since the start of the tightening cycle, the Fed paused for the first time in June. In terms of unconventional measures, in March 2023 the Fed announced the creation of a new liquidity access mechanism ("Bank Term Funding Program").

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

In the Eurozone, GDP growth slowed to +1,0% year-on-year in Q1 2023. GDP fell by 0,5% in Germany, while rising by +0,9% in France, +1,9% in Italy and +4,2% in Spain. The Eurozone unemployment rate fell to 6,5%. The year-on-year increase in consumer prices slowed to +5,5%. Excluding energy and food, inflation accelerated to +5,4%.

The ECB raised its key rates by +4,0%, in the following sequence: +0,50% in July 2022, two consecutive +0,75% hikes in September and October 2022, three consecutive +0,50% hikes between December 2022 and March 2023 and two consecutive +0,25% hikes in May and June 2023. The deposit rate was raised from -0,50% to 3,50%, the refinancing rate from 0% to 4,00% and the marginal lending facility rate from 0,25% to 4,25%.

With regard to non-conventional measures, in July 2022 the ECB approved the creation of a "Transmission Protection Instrument" that could be activated if credit spreads soar. In December 2022, the ECB announced a reduction in the size of its Asset Purchase Programme (APP) from March 2023. In June 2023, the ECB announced that it would end reinvestments under its APP programme.

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

In China, GDP growth rebounded to +4,5% year-on-year in Q1 2023. Activity benefited from the complete lifting of health restrictions in December 2022. The urban unemployment rate fell to 5,2%. The year-on-year increase in consumer prices slowed to 0% and +0,4% excluding energy and food. The Chinese central bank cut its key interest rate by 20 basis points, bringing the 1-year refinancing rate to 2,65%.

At the conclusion of the 20th CCP Congress in October 2022, Xi Jinping won a third term as General Secretary of the Party and head of the armed forces. Xi Jinping was formally re-elected President of the Republic during the annual session of the National People's Congress in March 2023. On this occasion, the government announced that it was aiming for growth of "around +5,0%" in 2023.

Markets

The MSCI World index of global equity markets rose by 14,4% over the year. The Topix in yen rose by +22,3%, the Euro Stoxx in euros by +20,6% and the S&P 500 in dollars by +17,6%. In contrast, the MSCI emerging equity index in dollars fell by 1,1%.

Western equity markets remained broadly stable in the second half of 2022 before rising sharply in the first half of 2023 as the global economy showed unexpected resilience. In the end, the Federal Reserve's rate hikes did not derail the expansionary cycle in the United States, the repercussions of the energy crisis on the European economy were less severe than had been feared, and the Chinese economy reopened more quickly than expected.

Bond markets went through a series of ups and downs, with investors switching from one monetary policy scenario to another. The 10-year US Treasury yield rose from 3,01% to 3,84%, with a low point of 2,57% in early August 2022 and a peak of 4,24% in late October 2022. The 10-year German government yield rose from 1,34% to 2,39%, with a low point of 0,78% in early August 2022 and a peak of 2,75% in early March 2023.

According to ICE Bank of America indices, credit spreads for European corporate issuers fell from 208 to 148 basis points in the Investment Grade segment and from 641 to 446 basis points in the High Yield segment.

In the foreign exchange market, the euro appreciated by +4,1% against the dollar and by +10,7% against the yen. It depreciated by 0,2% against the pound sterling and by 2,4% against the Swiss franc. Emerging currencies depreciated on average by 5,0% against the dollar, according to the JPMorgan index.

The S&P GSCI commodity price index fell 23,8% year-on-year. The price of a barrel of Brent crude oil fell from \$115 to \$76, with a peak of \$122 in early July 2022 and a low point of \$72 in mid-March 2023.

MANAGEMENT POLICY

Over the full financial year (from June 30th, 2022 to June 30, 2023), the Lazard Alpha Europe SICAV (A share) recorded a performance of 25,71%, while its benchmark index, the Stoxx600 net dividends reinvested, rose by 16,49%, an outperformance of 922 basis points.

In Q3 2022, Lazard Alpha Europe (A share) outperformed its benchmark by 159 basis points (-2,74% vs. -4,33%).

Despite persistent geopolitical tensions, heightened fears of energy rationing in Europe and the widening of the BTP-Bund spread, the equity market rebounded in July. Some companies are reporting difficulties in coping with the current level of inflation (Direct Line, Coverstro, Schindler, Volvo, SEB) or logistical disruptions (Stora Enso, Airbus, Chr. Hansen). The market is questioning the ability of central banks to maintain their restrictive monetary policies over time. Growth stocks outperformed. Financials and telecoms were out of favour. In the utilities sector, some stocks fell sharply (Uniper, Fortum). Conversely, retail, real estate and industrial stocks outperformed. The fund (A share) underperformed in July. It suffered from financials (Scor, Santander, Swiss Re, Sampo, BNP Paribas) and its underexposure to consumer goods. However, it benefited from very good performances by Weir, Worldline, Sodexo, Aperam, Dassault Systèmes, Imerys and Spectris.

After a somewhat euphoric July for equities, the market returned in August to the dual anguish of inflation-driven rate hikes and the prospect of an economic slowdown in Europe due to the energy crisis, all of which was compounded by the Chinese economy's bumpy ride. The unbridled rise of the dollar, which is positive for most European companies, is also a cause for concern: it has an impact on imported inflation and is putting the ECB under pressure. Against this backdrop, the benchmark lost 5,05% over the month. The fund outperformed the benchmark at 4,67% (A share). It was hurt by negative stock picks in basic resources and declines in other cyclical stocks such as Weir, Spectris, Saint-Gobain and Alstom, and in retail with H&M and Kingfisher. On the other hand, it benefited from its exposure to banks and good stock picks in consumer goods. Specifically, the top contributors over the month were JDE Peets, Axa, BBVA, Société Générale, Orange and ENI. In September, the markets were affected by fears of a slowdown in economic activity following rate hikes by several central banks (Fed +75bp, BoE +50bp and ECB +75bp) and the downward revision of global growth forecasts by the OECD. In the Eurozone, inflation reached a record high of +10,0% over 1 year in September after +9,1% in August. The euro again depreciated against the dollar. News on the political front included tensions in the United Kingdom over announced tax cuts, leading to a fall in the pound and consequent intervention by the BoE, Russia's annexation of four Ukrainian regions, the Fratelli d'Italia party winning the Italian elections and the European Council voting to cap revenues for electricity producers at €180/MWh. On the corporate side, Porsche AG was listed on the Frankfurt Stock Exchange, becoming the third largest IPO in European history. The fund (A share) outperformed the Stoxx 600 by 161 basis points (-4,86% vs. -6,47%). It benefited mainly from a positive allocation effect in banks, as well as from the good performances of Imerys, Sodexo, Publicis, Siemens and JDE.

In the fourth quarter of 2022, the SICAV (A share) gained 13,94% compared with 9,84% for the Stoxx 600 net dividends reinvested.

Apart from the continuing energy crisis in Europe and the detrimental zero-Covid policy in China, it was relief on all these fronts that prevailed in October. Buoyed by what were generally good earnings releases, often accompanied by upward revisions despite the uncertainties, the market rose sharply over the month: +6,35%. The fund (A share) outperformed very significantly with a rise of 10,2% over the period. Although it was hurt by a slight underexposure to the energy sector, it benefited from good stock picks in basic resources, banks, industrial goods, automotive, consumer goods and energy. Dassault Systèmes, JDE Peets, Geberit and Scor were the main negative contributors to October's performance, while Imerys, ENI, Sodexo, Daimler Truck, Publicis, Carrefour, Société Générale, Spectris and BBVA were the best contributors. The very strong rebound in equity markets in October continued and intensified in November, under the effect of lower oil prices and commodity prices in general, the easing of long-term interest rates, and quarterly earnings releases, which were satisfactory on the whole and sometimes accompanied by upward revisions. Against this backdrop, the Stoxx 600 gained 6,89% and the fund (A share) outperformed slightly at +7,11%. The portfolio was hurt by its stock picks in basic resources and technology stocks and its underexposure to consumer goods, but benefited from its picks in industrial goods, energy and insurance. JDE Peets, sold over the period, underperformed, as did Carrefour, Geberit and Worldline. Conversely, Scor, Alstom, Weir, Daimler Truck, Siemens and Aperam rebounded and made a positive contribution to performance in November. The enthusiasm in the equity markets in October and November was followed by a certain nervousness in December under the influence of the European Central Bank's fairly firm stance, which led, among other things, to a spectacular rise in interest rates in Europe, with the 10-year Bund yield rising from 1,81% to 2,56% in a single month, reaching its highest level in more than ten years. The dollar also continued to decline, dropping from \$1,03/€ to \$1,07/€. The fall in energy prices in Europe failed to curb the fall in equity markets; the Stoxx 600 lost 3,38% over the month. The fund (A share) outperformed slightly at -3,47%. It was negatively affected by its positions in healthcare, automotive and industrial goods, but benefited from a good allocation to banks and good stock picks in construction materials and insurance. Worldline, AkzoNobel, Weir and Alstom underperformed, while Scor, Sodexo, BBVA, Sanofi, Saint-Gobain and Aperam made a positive contribution.

In the first quarter of 2023, Lazard Alpha Europe (A share) rose by 10,25% while its benchmark was up 8,39%.

Turning the cautious consensus on its head, the equity markets got off to a flying start in 2023. As interest rates eased sharply from their December high, the dollar continued to fall, as did energy prices, particularly in Europe, the Stoxx 600 rose by 6,74%. The fund (A share) outperformed significantly, at +9,11%. It was nevertheless hurt by its underexposure to the luxury goods sector and by a negative selection in healthcare. Anheuser-Busch InBev, Roche, Handelsbanken, Dassault Systèmes and Sanofi made negative contributions. On the other hand, the portfolio benefited from its stock picks in industrial goods, construction materials, basic resources and personal care, as well as from the absence of utilities.

But the best contributors in January came from various sectors. These include Aperam, Kingfisher, Alstom, Geberit and Société Générale. As the earnings release season was still fairly positive, equity markets continued the spectacular rise of the beginning of the year in February, this despite the very strong pressure on interest rates that followed an increase in inflationary pressures on both sides of the Atlantic. The T-Bond yield rose from 3,50% to 3,90% in February and the Bund yield rose from 2,27% to 2,65%. Despite this, the Stoxx 600 was up 1,88%, helped among other things by the (relative) easing of tensions over gas and electricity prices in Europe. The fund outperformed significantly with a rise of 3,03%. It was negatively affected by its selection in industrial goods, automotive and healthcare, but benefited from good stock picks in banking, media and basic resources. Roche, Infineon, ENI and Worldline weighed on performance in February, but Publicis, Spectris, Carrefour, Santander and BBVA outperformed thanks to their good results, as did Orange on the announcement of its new strategic plan. While March had started on the upbeat trend of early 2023, the market's rise was abruptly interrupted from the 8th when Credit Suisse's main shareholder indicated that it did not intend to bail out the bank, leading to a panic over the stock which spread to the entire banking sector, ending on the 13th with the absorption of Credit Suisse by UBS. The damage was done, and despite the strong rebound of European equities at the end of the month, cyclical sectors and financial stocks were unable to return to their pre-crisis levels, while interest rates eased sharply in response to concerns about the indirect impacts of the financial crisis on the economy as a whole. Against this backdrop, the fund (A share) underperformed its benchmark, down 1,93% in a market that fell by 0,32%. The allocation to banks proved the most costly, followed by the stock picking in industrial goods and retail. The absence of real estate and financial services, as well as stock picking in technology, energy and chemicals, contributed positively. Société Générale, Handelsbanken, BNP, Kingfisher, Alstom and BBVA were the biggest negative contributors over the month, while Infineon, Sanofi, Anheuser-Busch Inbev, SAP and the absence of Shell, HSBC, Crédit Suisse and Deutsche Bank were positive factors.

In the last quarter of the financial year, the portfolio (C share) outperformed the Stoxx 600 net dividends reinvested by 62 basis points (2,89% vs. 2,27%).

April was a month of uncertainty. While interest rates eased in the first ten days, accompanying what seemed to be the first signs of a US economic slowdown, they finally rose at the end of the period following reassuring employment figures. After rebounding at the beginning of the month thanks to OPEC, oil prices went back on the decline and Brent ended the month at a low of \$72/bbl, as did European gas, which fell to its lowest level of the year at €35/MWh, both movements no doubt reflecting the fact that the Chinese recovery is less strong than expected. In this uncertain environment, the equity market still managed to gain 2,45%, driven by growth stocks. The fund underperformed, rising 1,33%. It was mainly hurt by the allocation effect in healthcare, automotive, basic resources and technology as well as by poor stock picks in industrial goods. On the other hand, it benefited from strong stock picks in telecoms, construction, chemicals and insurance. Infineon, Alstom, Imerys, Banco Santander and Worldline weighed on performance, while Scor, Vinci, Sodexo and Akzo Nobel made a positive contribution. In May, the market consolidated after its April high. The continued fall in oil and gas prices bodes well for the earnings of Western companies and potentially for the strength of consumer spending, but it is also a sign of probable weakness in the Chinese economy. Interest rates varied little over the period. Against the backdrop of a fall in the Stoxx 600, growth stocks, technology stocks in particular, are making a comeback. The index fell by 2,52% and the fund (A share) outperformed with a smaller decline of 2,04%. It was hurt by its underexposure to healthcare and overexposure to basic resources and chemicals. On the other hand, it benefited from a good allocation effect in consumer goods and agri-food. On an individual stock basis, Anheuser-Busch underperformed due to lower sales in the United States. Adecco, Carrefour, Eni and BBVA also detracted from performance. Alstom made a positive contribution following its good earnings release, as did Dassault Systèmes, Scor, Société Générale, BMW, Sodexo and Infineon. In June, the market swung between fears of a resurgence of inflation and enthusiasm about the absence of a recession. In the end, the upside won out and, in a stable interest rate environment, the Stoxx 600 gained 2,41%. The fund (A share) managed to outperform, up 3,66%, despite its overexposure to consumer goods and technology stocks and the poor performance of certain basic resources. It was underpinned by its stock picks in automotive, banks, insurance and chemicals. Over the month, Aperam was affected by concerns about demand in Europe, as was Geberit, which hinted that destocking was not yet over. Merck KGaA is hurt by its Biosciences activity being assimilated to Sartorius, which has issued a profit warning. More generally, the pharmaceuticals sector is very weak, for no apparent particular reason: AstraZeneca and Roche were also down. Daimler Trucks, on the other hand, outperformed the market, as did BMW. BBVA, Scor, Intesa, Société Générale, STMicroelectronics, Saint-Gobain and Imerys also outperformed.

Main changes in the portfolio during the year

Securities	Changes (“accounting currency”)	
	Purchases	Sales
LAZARD EURO SHORT TERM MONEY MARKET	18 115 467,23	17 389 707,79
ASML HOLDING NV	2 559 306,62	3 298 652,09
SCHNEIDER ELECTRIC SE	1 605 681,57	2 009 577,46
CARREFOUR	2 245 528,85	988 037,05
IMERYS EX IMETAL	1 103 315,30	1 864 014,34
SOCIETE GENERALE SA	1 196 693,25	1 486 824,90
SIEMENS AG-REG	324 127,22	2 292 575,17
ALSTOM	1 142 828,88	1 467 603,69
AIR LIQUIDE	1 719 788,32	673 867,78
BNP PARIBAS	946 182,44	1 367 054,28

4. REGULATORY INFORMATION

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

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

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

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

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

- o Currency forwards:
- o Futures:
- o Options:
- o Swaps:

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

Efficient portfolio management techniques	Derivative financial instruments (*)
None	None

(*) Excluding listed derivatives.

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

Instrument type	Amount in the currency of the portfolio
Efficient portfolio management techniques . Term deposits . Equities . Bonds . UCITS . Cash (*) Total	None
Derivative financial instruments . Term deposits . Equities . Bonds . UCITS . Cash Total	None

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

d) Operating income and expenses related to efficient management techniques

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

(*) Income on securities lending and repurchase agreements

Transparency of securities financing transactions and the reuse of financial instruments – SFTR REGULATION – IN THE ACCOUNTING CURRENCY OF THE UCI (€)

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

PROCEDURE FOR SELECTING AND ASSESSING INTERMEDIARIES AND COUNTERPARTIES

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

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

BROKERAGE FEES

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

EXERCISING VOTING RIGHTS

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

DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA

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

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

The incorporation of ESG criteria therefore is a natural component of our investment process.

Our overall approach can be summarised as follows:

- ✓ Rigorous financial analysis of the company covering the quality of assets, financial soundness, projected cash flows and their reinvestment by the company, the strength of economic profits, profit durability, and quality of management.
- ✓ This durability is strengthened by incorporating non-financial criteria:
 - Social criteria: through the development of human capital.
 - Environmental criteria: through the prevention of all environmental risks.
 - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

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

Information on ESG criteria is available on the website: www.lazardfreresgestion.fr.

SFDR AND TAXONOMY

Article 8 (SFDR):

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

Report on non-financial performance:

As of 30/06/2023, in accordance with the asset management company's rating criteria, the portfolio's overall rating was 59,8891 on a scale of 0 to 100. It was 54,7532 at the start date of the calculation.

Over the period measured, the portfolio's average ESG rating ranged from 54,7532 to 59,8891. It remained higher than that of its universe.

Reminder of the investment objective of promoting ESG criteria:

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

Analysis of investments in directly held bonds

The ESG analysis of live securities is based on a proprietary model that relies on an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agencies, external service providers, etc.), the annual reports of the companies and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG score. 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.). It takes into account the risks likely to affect companies' sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk thanks to, among other factors, the monitoring of controversies) as well as companies' main negative impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production), i.e. any event or situation in the environmental, social or governance field which, if it occurs, could have an actual or potential negative impact on the value of the investment.

Lazard Frères Gestion will announce by December 30th, 2022 how this product considers negative impacts on sustainability factors.

Specifically, the negative effects of sustainability risks can affect issuers via a range of mechanisms, including:

- 1) lower revenues;
- 2) higher costs;
- 3) damage to or impairment of the value of assets;
- 4) higher cost of capital; and
- 5) fines or regulatory risks.

Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

These internal ESG ratings are built into the valuation models via the beta used to set the weighted average cost of capital (WACC).

Conditions for providing limited information on the inclusion of non-financial criteria:

The rate of non-financial analysis of the UCI's investments is, depending on the UCI's investment categories, higher than:

- 90% of the UCIs net assets for bonds issued by large capitalisation companies with their registered office in "developed" countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;
- 75% of the UCIs net assets for equities issued by large capitalisation companies with their registered office in "emerging" countries, equities issued by small and mid caps, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by "emerging" countries.

In the event of investment in several categories, the above rates shall apply transparently to each category.

The portfolio's overall Moody's ESG Solutions rating will be higher than that of the benchmark.

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

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

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

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

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

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

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

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

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

METHOD USED TO CALCULATE GLOBAL RISK

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

PEA employee savings fund

Pursuant to the provisions of Article 91, quater L Appendix 2 of the French General Tax Code, a minimum of 75% of the Fund/SICAV is permanently invested in the securities and rights mentioned in points a, b and c, section I°, I of Article

L. 221-31 of the French Monetary and Financial Code.

Proportion actually invested during the financial year: 76,86%.

REMUNERATION

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

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

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

The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components. All risks and conflicts of interest are incorporated into the calculation of the variable remuneration.

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

The remuneration policy is reviewed annually.

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

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

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

“Identified employees”

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

Note: the amounts are stated excluding charges

OTHER INFORMATION

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

LAZARD FRERES GESTION SAS
25, Rue de Courcelles – 75008 Paris,

France

www.lazardfreresgestion.fr

5. CERTIFICATION BY THE STATUTORY AUDITOR



Lazard Alpha Europe

Financial year ended June 30th, 2023

Statutory auditor's report on the annual financial statements

To the shareholders' meeting of the SICAV Lazard Alpha Europe,

Opinion

In accordance with the terms of our appointment by your board of directors, we conducted our audit of the accompanying annual financial statements of the Undertaking for Collective Investment Lazard Alpha Europe, as a French open-end investment company (SICAV), for the financial year ended June 30th, 2023.

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

Basis of our opinion

■ Audit standards

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

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

■ Independence

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



Basis of our opinions

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

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

Specific verifications

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

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

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

■ Information on corporate governance

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

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

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

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

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



Statutory auditor's responsibilities concerning the audit of the annual financial

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

As stipulated in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability or quality of the management of your SICAV.

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

- ▶ it identifies and assess the risks that the annual financial statements may contain material misstatements, whether from fraud or error, defines and implements audit procedures to resolve these risks, and collects all elements deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than that resulting from an error because fraud may involve collusion, falsification, deliberate omissions, false statements or by-passing of internal controls;
- ▶ it takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the efficiency of the internal control;
- ▶ it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, and the related information provided in the annual financial statements;
- ▶ It assesses the appropriateness of the management's application of the accounting policy for a going concern and, based on the information collected, whether there is any significant uncertainty linked to events or circumstances that is likely to call into question the SICAV's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the accounts;



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

Paris-La Défense, September 25th, 2023

The statutory auditor
ERNST & YOUNG et Autres

[signature]

David Koestner



Lazard Alpha Europe

Shareholders' meeting to approve the financial statements for the financial year ended June 30th, 2023

Statutory auditor's special report on regulated agreements

To the shareholders' meeting of the SICAV Lazard Alpha Europe,

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

We are required to report to you, based on the information we have been provided, on the characteristics, the main terms and the details of the benefits for the company, of any agreements disclosed to us or that we may have discovered during our audit, without being required to comment on their relevance or substance, or to identify any other agreements. It is your responsibility, pursuant to the terms of Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the benefits of entering into these agreements, prior to approving them.

We are also required, where applicable, to report to you as provided for in Article R. 225-31 of the French Commercial Code on the performance over the past year of any agreements already approved by the shareholders' meeting.

We have performed those checks that we considered necessary in accordance with the professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this operation.

Agreements submitted for the approval of the shareholders' meeting

We hereby inform you that we have not been advised of any agreement authorised or signed during the past financial year to be submitted for the approval of the shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.



Agreements already approved by the shareholders' meeting

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

Paris-La Défense, September 25th, 2023

The statutory auditor
ERNST & YOUNG et Autres

[signature]

David Koestner

6. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30/06/2023 in EUR

ASSETS

	30/06/2023	30/06/2022
NET NON-CURRENT ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	54 674 127,65	57 704 513,67
Equities and similar securities	53 147 940,71	56 927 833,29
Traded on a regulated or equivalent market	53 147 940,71	56 927 833,29
Not traded on a regulated or equivalent market		
Bonds and similar securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Debt securities		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	1 526 186,94	776 680,38
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	1 526 186,94	776 680,38
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
Temporary securities transactions		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
Other financial instruments	182 159,67	724 160,21
RECEIVABLES	182 159,67	724 160,21
Currency forward exchange transactions	563 194,10	738 632,46
Other	563 194,10	738 632,46
FINANCIAL ACCOUNTS		
Cash and cash equivalents		
TOTAL ASSETS	55 419 481,42	59 167 306,34

LIABILITIES AND SHAREHOLDERS' EQUITY

	30/06/2023	30/06/2022
SHAREHOLDERS' EQUITY		
Share capital	54 068 148,89	50 816 912,53
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)		
Net capital gains and losses for the year (a, b)	-18 238,23	6 657 772,45
Net income for the year (a, b)	1 302 675,53	1 358 680,45
TOTAL SHAREHOLDERS' EQUITY*	55 352 586,19	58 833 365,43
<i>* Sum representing the net assets</i>		
FINANCIAL INSTRUMENTS		
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
LIABILITIES	66 895,23	333 940,91
Currency forward exchange transactions		
Other	66 895,23	333 940,91
FINANCIAL ACCOUNTS		
Bank overdrafts		
Borrowings		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	55 419 481,42	59 167 306,34

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS OF 30/06/2023 in euros

	30/06/2023	30/06/2022
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

INCOME STATEMENT AS OF 30/06/2023 in euros

	30/06/2023	30/06/2022
Income from financial transactions		
Income from deposits and financial accounts		
Income from equities and similar securities	2 115 348,45	2 466 314,68
Income from bonds and similar securities		
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
TOTAL (1)	2 115 348,45	2 466 314,68
Expenses related to financial transactions		
Expenses related to temporary purchases and sales of securities		
Expenses related to forward financial instruments		
Expenses related to financial liabilities	99,19	195,47
Other financial charges		
TOTAL (2)	99,19	195,47
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	2 115 249,26	2 466 119,21
Other income (3)		
Management fees and depreciation and amortisation (4)	807 529,29	1 043 566,50
NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	1 307 719,97	1 422 552,71
Income adjustment for the financial year (5)	-5 044,44	-63 872,26
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	1 302 675,53	1 358 680,45

I. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01, as amended, of the

French accounting standards body (Autorité des Normes Comptables - ANC).

The general accounting principles apply:

- true and fair view, comparability, business continuity,
- regularity, sincerity,
- prudence,
- consistency of accounting methods from one financial year to the next.

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

Asset valuation rules

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

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

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

o **Fixed-income securities:**

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

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

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

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price, for which the shareholders' meeting is responsible.

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

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

o **Negotiable debt securities:**

Negotiable debt securities are marked to market based on either Bloomberg prices (BVAL and/or BGN)® derived from averages of contributed prices, or on those of direct contributors.

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

The valuation of money market instruments complies with the provisions of Regulation (EU) 2017/1131 of June 14th, 2017. Consequently, the UCI does not use the amortised cost method.

o **UCIs:**

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

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

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 (€STR, one- or two-week interbank rates, one- to 12-month EURIBOR) corresponding to the term of the contract.

Securities sold under repurchase agreements continue to be valued at their market price. Liabilities on securities sold under repurchase agreements are calculated using the same method as that used for securities purchased under repurchase agreements.

o **Futures and options:**

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

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

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

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

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

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

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

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

Management fees

Management fees are calculated on each valuation day.

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

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

These amounts are then recorded in the UCI's income statement and paid in full to the management company.

The Management Company pays the UCI'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:

<i>Costs charged to the UCI</i>	<i>Basis</i>	<i>Share</i>	<i>Maximum rate (incl. taxes)</i>	
Financial management fees	Net assets	A	1.080%	
		R	2.080%	
Operating and other service fees	Net assets	Applied to all shares	0.020%	
Indirect charges (management fees and expenses)	NA	Applied to all shares	None	
Turnover commission (0 to 100% received by the management company and 0 to 100% received by the custodian)	Maximum charge on each transaction	Applied to all shares	Equities, bonds, debt securities and foreign exchange	0% to 0,20%
			Futures and other transactions	From €0 to €450 per batch/contract
Performance fee	Net assets	A, R	15% of the Fund's outperformance relative to the benchmark.	

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 61719.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

Calculation of the performance fee:

The performance fee corresponds to a variable charge and is contingent on the Fund outperforming its benchmark over the observation period. If a provision is recognised at the end of the observation period, it is crystallised, i.e. it is definitively acquired and becomes payable to the Manager.

Calculation method

The calculation of the amount of the performance fee is based on a comparison between the performance of each UCI share and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual UCI.

The outperformance generated by the UCI share on a given date is defined as the positive difference between the assets of the UCI share and the assets of the notional UCI on the same date.

If this difference is negative, this amount constitutes an underperformance that will have to be made up in the following years before a new provision can be made for the performance fee.

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Net income:

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

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

Capital gains and losses:

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

Allocation of distributable income:

<i>Share(s)</i>	<i>Allocation of net income</i>	<i>Allocation of net realised capital gains or losses</i>
LAZARD ALPHA EUROPE A shares	Accumulation	Accumulation
LAZARD ALPHA EUROPE R shares	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV

2. CHANGE IN NET ASSETS AT 30/06/2023 in EUR

	30/06/2023	30/06/2022
NET ASSETS AT START OF YEAR	58 833 365,43	84 519 272,68
Subscriptions (including subscription fees retained by the Fund)	2 681 301,61	6 836 561,52
Redemptions (net of redemption fees retained by the Fund)	-19 718 029,09	-23 495 789,43
Realised capital gains on deposits and financial instruments	3 759 306,12	9 187 096,83
Realised capital losses on deposits and financial instruments	-3 824 499,32	-1 604 537,73
Realised capital gains on forward financial instruments		
Realised capital losses on forward financial instruments		
Transaction charges	-356 376,26	-504 960,61
Exchange rate differences	3 694,78	332 584,91
Changes in valuation difference of deposits and financial instruments	12 666 102,95	-17 859 415,45
<i>Valuation difference for financial year N</i>	<i>3 446 568,89</i>	<i>-9 219 534,06</i>
<i>Valuation difference for financial year N-1</i>	<i>9 219 534,06</i>	<i>-8 639 881,39</i>
Changes in valuation difference of forward financial instruments		
<i>Valuation difference for financial year N</i>		
<i>Valuation difference for financial year N-1</i>		
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year		
Net profit/loss for the financial year prior to income adjustment	1 307 719,97	1 422 552,71
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		
NET ASSETS AT END OF YEAR	55 352 586,19	58 833 365,43

3. ADDITIONAL INFORMATION

3.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

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

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
ASSETS								
Deposits								
Bonds and similar securities								
Debt securities								
Temporary securities transactions								
Financial accounts							563 194,10	1,02
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

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

	< 3 months	%]3 months-1 year]	%]1 – 3 years]	%]3 – 5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and similar securities										
Debt securities										
Temporary securities transactions										
Financial accounts	563 194,10	1,02								
LIABILITIES AND SHAREHOLDER S' EQUITY										
Temporary securities transactions										
Financial accounts										
OFF-BALANCE SHEET										
Hedging transactions										
Other transactions										

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

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

	Currency 1 GBP		Currency 2 CHF		Currency 3 SEK		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and similar securities	5 390 649,65	9,74	5 215 108,14	9,42	1 172 539,87	2,12		
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables	67 256,39	0,12						
Financial accounts	117 321,18	0,21						
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

3.5 RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	30/06/2023
RECEIVABLES		
	Deferred settlement sale	92 795,55
	Subscription receivables	5 028,53
	Coupons and dividends in cash	84 335,59
TOTAL RECEIVABLES		182 159,67
LIABILITIES		
	Fixed management fees	66 887,87
	Variable management fees	7,36
TOTAL LIABILITIES		66 895,23
TOTAL LIABILITIES AND RECEIVABLES		115 264,44

3.6 SHAREHOLDERS' EQUITY

3.6.1. Number of securities issued or redeemed

	In equity	In amounts
LAZARD ALPHA EUROPE A shares		
Shares subscribed during the financial year	1 398,075	896 237,72
Shares redeemed during the financial year	-16 445,404	-10 855 053,75
Net balance of subscriptions/redemptions	-15 047,329	-9 958 816,03
Number of shares outstanding at the end of the financial year	55 423,209	
LAZARD ALPHA EUROPE R shares		
Shares subscribed during the financial year	4 989,871	1 785 063,89
Shares redeemed during the financial year	-24 455,049	-8 862 975,34
Net balance of subscriptions/redemptions	-19 465,178	-7 077 911,45
Number of shares outstanding at the end of the financial year	40 089,713	

3.6.2. Subscription and/or redemption fees

	In amounts
LAZARD ALPHA EUROPE A shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD ALPHA EUROPE R shares	
Total fees earned	
Subscription fees earned	
Redemption fees acquired	

3.7 MANAGEMENT FEES

	30/06/2023
LAZARD ALPHA EUROPE A shares	
Guarantee fees	
Fixed management fees	448 006,11
Percentage of fixed management fees	1,10
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
LAZARD ALPHA EUROPE R shares	
Guarantee fees	
Fixed management fees	359 515,82
Percentage of fixed management fees	2,10
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	7,36
Percentage of variable management fees earned	
Retrocessions of management fees	

“The amount of variable management fees shown above corresponds to the sum of the provisions and reversals of provisions that impacted the net assets during the period under review. ”

3.8 COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the Fund:

None.

3.8.2. Other commitments received and/or given:

None.

3.9 OTHER INFORMATION

3.9.1. Present value of financial instruments held temporarily

	30/06/2023
Securities held under repurchase agreements	
Borrowed securities	

3.9.2. Present value of financial instruments representing security deposits

	30/06/2023
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

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

	ISIN code	Name	30/06/2023
Equities			
Bonds			
Negotiable debt securities			
UCIs			1 526 186,94
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET	1 526 186,94
Forward financial instruments			
Total group securities			1 526 186,94

3.10 APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	30/06/2023	30/06/2022
Remaining amounts to be allocated		
Retained earnings		
Net income	I 302 675,53	I 358 680,45
Income before interim payments		
Total	I 302 675,53	I 358 680,45

	30/06/2023	30/06/2022
LAZARD ALPHA EUROPE A shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	I 036 741,90	I 071 677,71
Total	I 036 741,90	I 071 677,71

	30/06/2023	30/06/2022
LAZARD ALPHA EUROPE R shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	265 933,63	287 002,74
Total	265 933,63	287 002,74

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

	30/06/2023	30/06/2022
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	-18 238,23	6 657 772,45
Interim dividends paid on net capital gains/losses for the financial year		
Total	-18 238,23	6 657 772,45

	30/06/2023	30/06/2022
LAZARD ALPHA EUROPE A shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-11 626,81	4 537 471,87
Total	-11 626,81	4 537 471,87

	30/06/2023	30/06/2022
LAZARD ALPHA EUROPE R shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-6 611,42	2 120 300,58
Total	-6 611,42	2 120 300,58

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

	28/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023
Global net assets in euros	66 501 298,91	52 222 843,61	84 519 272,68	58 833 365,43	55 352 586,19
LAZARD ALPHA EUROPE A shares in EUR					
Net assets	59 842 334,14	46 391 599,00	58 040 282,70	40 174 316,64	39 719 525,97
Number of shares	115 053,409	97 934,120	88 882,571	70 470,538	55 423,209
Net asset value per share	520,12	473,70	652,99	570,08	716,65
Accumulation per share pertaining to net capital gains/losses	-50,44	-35,79	4,25	64,38	-0,20
Accumulation per share pertaining to income	11,00	5,94	8,69	15,20	18,70
LAZARD ALPHA EUROPE R shares in EUR					
Net assets	6 658 964,77	5 831 244,61	26 478 989,98	18 659 048,79	15 633 060,22
Number of shares	22 605,434	21 955,239	73 048,960	59 554,891	40 089,713
Net asset value per share	294,57	265,59	362,48	313,30	389,95
Accumulation per share pertaining to net capital gains/losses	-28,69	-20,10	2,37	35,60	-0,16
Accumulation per share pertaining to income	3,33	0,48	1,71	4,81	6,63

3.12 DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Equities and similar securities				
Equities and similar securities traded on a regulated or similar market				
GERMANY				
BMW BAYERISCHE MOTOREN WERKE	EUR	8 890	1 000 302,80	1,81
DAIMLER TRUCK HOLDING AG	EUR	43 020	1 419 660,00	2,56
INFINEON TECHNOLOGIES	EUR	36 740	1 388 220,90	2,51
MERCK KGA	EUR	8 890	1 347 279,50	2,43
SAP SE	EUR	10 190	1 275 176,60	2,31
TOTAL GERMANY			6 430 639,80	11,62
BELGIUM				
ANHEUSER BUSCH INBEV SA/NV	EUR	25 030	1 297 304,90	2,34
TOTAL BELGIUM			1 297 304,90	2,34
SPAIN				
BANCO DE BILBAO VIZCAYA S.A.	EUR	213 540	1 501 613,28	2,71
BANCO SANTANDER S.A.	EUR	379 310	1 283 964,35	2,33
TOTAL SPAIN			2 785 577,63	5,04
FRANCE				
AIR LIQUIDE	EUR	8 230	1 351 366,00	2,44
ALSTOM	EUR	52 400	1 431 568,00	2,59
AXA	EUR	51 550	1 393 138,75	2,52
BNP PARIBAS	EUR	23 150	1 336 218,00	2,42
CARREFOUR	EUR	75 830	1 316 029,65	2,38
DASSAULT SYST.	EUR	32 100	1 304 062,50	2,35
IMERYS EX IMETAL	EUR	33 530	1 197 021,00	2,16
LVMH (LOUIS VUITTON - MOET HENNESSY)	EUR	1 680	1 449 840,00	2,62
MICHELIN (CGDE)	EUR	49 410	1 337 034,60	2,42
ORANGE	EUR	134 360	1 437 920,72	2,60
PUBLICIS GROUPE SA	EUR	19 390	1 425 165,00	2,57
SAINT-GOBAIN	EUR	18 560	1 034 348,80	1,87
SANOFI	EUR	13 710	1 346 322,00	2,44
SCOR SE	EUR	53 710	1 444 261,90	2,61
SOCIETE GENERALE SA	EUR	54 840	1 305 192,00	2,35
SODEXO / formerly SODEXHO ALLIANCE	EUR	13 550	1 366 517,50	2,47
TOTALENERGIES SE	EUR	23 080	1 212 854,00	2,19
VINCI SA	EUR	13 240	1 408 471,20	2,54
TOTAL FRANCE			24 097 331,62	43,54
ITALY				
ENI SPA	EUR	109 450	1 442 769,90	2,60
INTESA SANPAOLO	EUR	538 730	1 292 952,00	2,34
TOTAL ITALY			2 735 721,90	4,94
LUXEMBOURG				
APERAM	EUR	35 660	1 019 162,80	1,84
TOTAL LUXEMBOURG			1 019 162,80	1,84
NETHERLANDS				
AKZO NOBEL	EUR	20 770	1 551 934,40	2,80
ASML HOLDING NV	EUR	2 190	1 451 970,00	2,62
TOTAL NETHERLANDS			3 003 904,40	5,42

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

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
UNITED KINGDOM				
ASTRAZENECA PLC	GBP	9 980	1 311 361,42	2,37
KINGFISHER PLC NEW	GBP	487 770	1 316 976,16	2,38
SPECTRIS PLC	GBP	34 550	1 447 383,91	2,61
WEIR GROUP (THE)	GBP	64 260	1 314 928,16	2,38
TOTAL UNITED KINGDOM			5 390 649,65	9,74
SWEDEN				
SVENSKA HANDELSBANKEN AB	SEK	152 950	1 172 539,87	2,12
TOTAL SWEDEN			1 172 539,87	2,12
SWITZERLAND				
ADECCO GROUP AG-REG	CHF	39 910	1 195 194,20	2,16
GEBERIT NOM.	CHF	2 650	1 270 903,13	2,29
NESTLE SA-REG	CHF	11 730	1 293 118,18	2,34
ROCHE HOLDING	CHF	4 840	1 455 892,63	2,63
TOTAL SWITZERLAND			5 215 108,14	9,42
TOTAL Equities and similar securities traded on a regulated or similar market			53 147 940,71	96,02
TOTAL Equities and similar securities			53 147 940,71	96,02
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD EURO SHORT TERM MONEY MARKET	EUR	762	1 526 186,94	2,75
TOTAL FRANCE			1 526 186,94	2,75
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			1 526 186,94	2,75
TOTAL Undertakings for collective investment			182 159,67	0,33
Receivables			-66 895,23	-0,12
Liabilities			563 194,10	1,02
Financial accounts			55 352 586,19	100,00
Net assets				

LAZARD ALPHA EUROPE R shares	EUR	40 089,713	389,95
LAZARD ALPHA EUROPE A shares	EUR	55 423,209	716,65

TEXT OF RESOLUTIONS

LAZARD ALPHA EUROPE
French open-end investment company
(Société d'Investissement à Capital Variable)
Registered office: 10, avenue Percier - 75008
Paris
Paris Trade and Companies Register PARIS

RESOLUTION CONCERNING THE ALLOCATION OF DISTRIBUTABLE INCOME PROPOSED TO THE SHAREHOLDERS' MEETING

FINANCIAL YEAR ENDED JUNE 30TH, 2023

Second resolution

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

1 302 675,53 €	Distributable amount pertaining to net income.
-18 238,23 €	Distributable amount pertaining to net capital gains and

losses.

and decides that they shall be allocated as follows:

1. Distributable amount relating to net income

1 302 675,53 € share capital pursuant to Article 27 of the company's articles of association.

2. Distributable income relating to net capital gains and losses

-18 238,23 € accumulation.

***For information:** There were no dividends paid over the last five years.*

7. APPENDIX(ES)

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

Product name: LAZARD ALPHA EUROPE

Legal entity identifier: 969500KBY8RZ2F54VL21

Environmental and/or social characteristics

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

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

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**:

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made a minimum of **sustainable investments with a social objective**

☒ ☐ ☒ No

☒ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 79,92% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☐ It promoted E/S characteristics, but **will not make sustainable investments**



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

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

Environmental policy:

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

Controlling environmental impacts:

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

Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

Moreover, the portfolio promotes the following social characteristics:

Respect for human rights:

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

Human resources management:

- Constructive social dialogue
- Training and career management conducive to human development
- Promoting diversity
- Health, safety and well-being at work

Value chain management:

- Responsible supply chain management
- Product quality, safety and traceability

This product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

● ***How did the sustainability indicators perform?***

The achievement of the environmental and social characteristics promoted by this product is measured by sustainability indicators at several levels:

In terms of valuation in the internal analysis model:

The ESG analysis of directly held securities is based on a proprietary model that relies on an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agencies, external service providers, etc.), the annual reports of the companies and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG rating.

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

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

These internal ESG ratings are built into the valuation models through the Beta used to define the weighted average cost of capital (WACC) for equity management and to the issuer selection process and the determination of issuers' weight in the portfolio for bond management.

In terms of controlling the elements of the investment strategy with an external data provider:

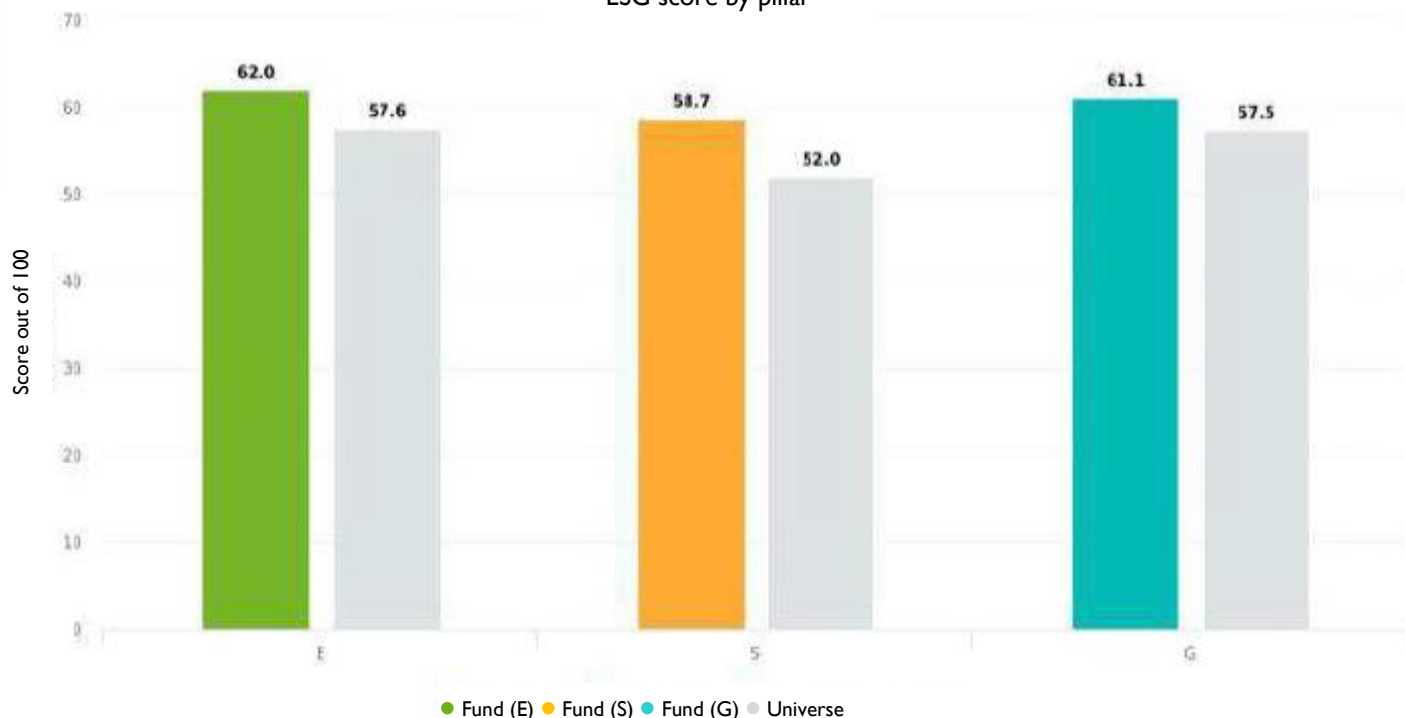
In addition, to confirm the robustness of the internal model, the analysts-managers in charge of management compare the portfolio's average ESG rating to that of its reference ESG universe using Moody's ESG Solutions ratings.

Evolution of the ESG score



The portfolio's reference ESG universe is:
The portfolio's reference benchmark.

ESG score by pillar



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

Not applicable

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

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

The environmental indicators used are as follows:

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

The social indicators used are as follows:

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

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

The table below presents the rules (targets) set for each indicator as well as the result obtained over the past period. The result is the average share of the portfolio invested in companies meeting these criteria, calculated on a quarterly basis. The average share is calculated according to the average positions observed over the past period, coupled with the non-financial data at the end of the period.

	Rule	Average share of the portfolio
Carbon footprint in €m	Included in the lowest 20% of the sector	13,01%
GHG intensity	Included in the lowest 20% of the sector	26,40%
Implied temperature rise in 2100	≤2 °C	53,95%
Number of low-carbon patents	Included in the top 20% of the universe	32,68%
% of women in executive management	Included in the top 20% of the universe	9,25%
Number of hours of training for employees	Included in the top 20% of the universe	2,44%
Benefits coverage	See sustainable investment presentation www.lazardfreresgestion.fr	15,87%
Diversity policies by management	See presentation www.lazardfreresgestion.fr	41,50%

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

investment objective?

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

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

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

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

Firstly, they are integrated into the internal analysis of each security monitored, carried out by our analyst-managers in the internal ESG analysis grids. In addition, they are used to assess the share of sustainable investments.

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

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

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

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

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

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

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



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

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

These indicators are integrated into the internal grids used to establish a security's ESG rating, which is taken into account in the valuation models through the Beta used to define the weighted average cost of capital for equity management and in the process of selecting issuers and determining their portfolio weight for bond management.

In addition, as stated above, all of the PAI indicators listed in Table 1 of Annex I of the Regulatory Technical Standards of the SFDR are taken into account in the definition of sustainable investment.



The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:
01/07/2022 to 30/06/2023

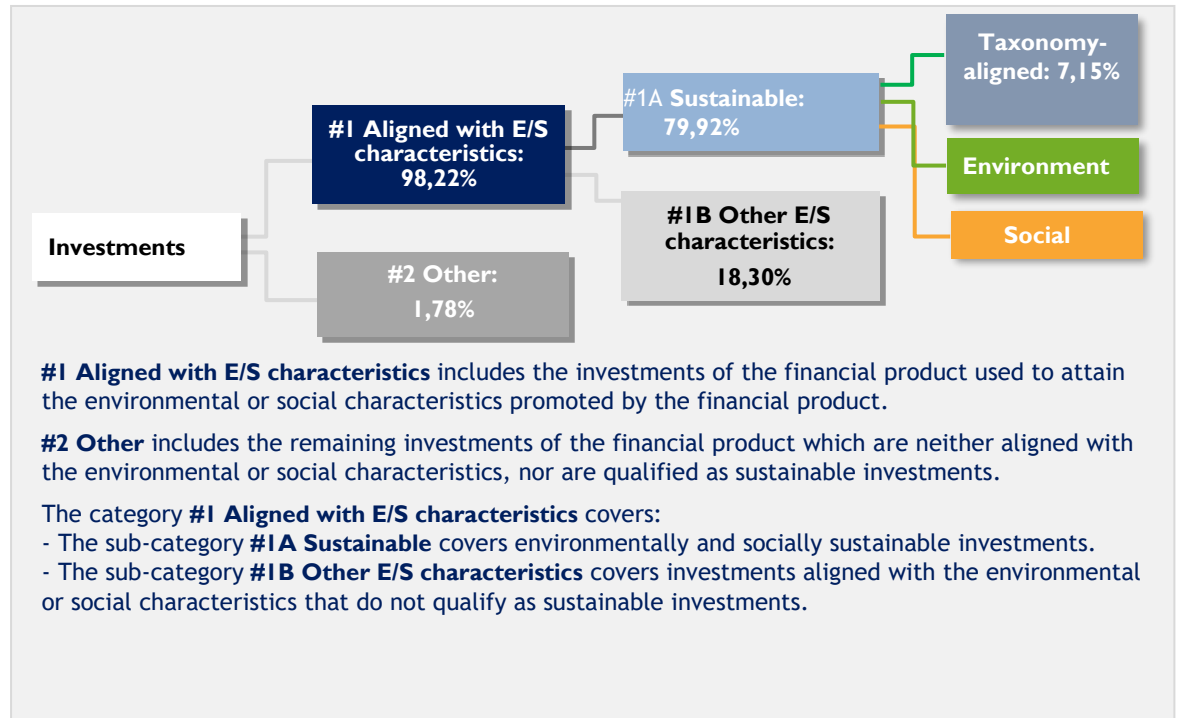
What were the top investments of this financial product?

Largest investments	Sector	Percentage of assets	Country
1. LAZARD EU SHRT TRM MONEY M-C	UCI	3,00%	France
2. BANCO DE BILBAO VIZCAYA S.A.	Financial and insurance activities	2,55%	Spain
3. AKZO NOBEL N.V.	Manufacturing	2,54%	Netherlands
4. ORANGE	Information and communication	2,54%	France
5. VINCI	Construction	2,53%	France
6. ENI SPA	Electricity, gas, steam and air conditioning supply	2,49%	Italy
7. AIR LIQUIDE SA	Manufacturing	2,49%	France
8. AXA SA	Financial and insurance activities	2,49%	France
9. SPECTRIS PLC	Manufacturing	2,48%	United Kingdom
10. PUBLICIS GROUPE	Professional, scientific and technical activities	2,47%	France
11. ROCHE HOLDING	Manufacturing	2,46%	Switzerland
12. LVMH MOET HENNESSY LOUIS VUI	Manufacturing	2,45%	France
13. ANHEUSER-BUSCH INBEV SA/NV	Manufacturing	2,45%	Belgium
14. BNP PARIBAS	Financial and insurance activities	2,44%	France
15. MICHELIN (CGDE)	Manufacturing	2,44%	France



What was the proportion of sustainability-related investment?

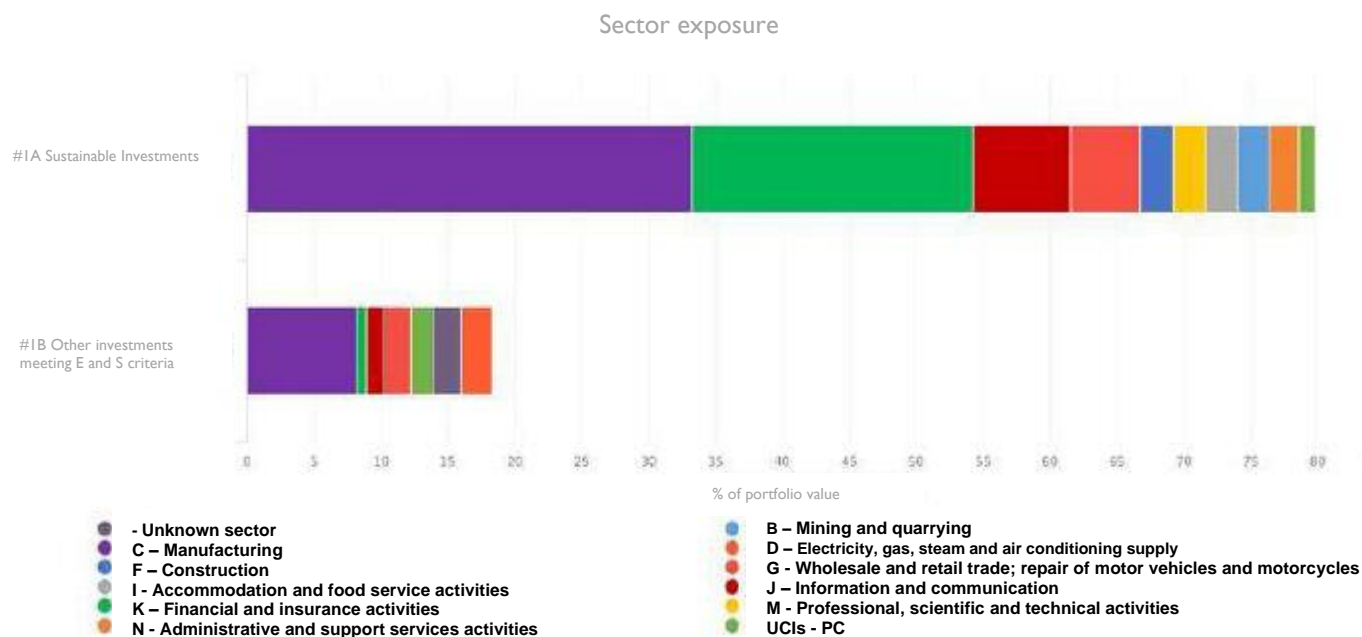
What was the asset allocation?



Details of sustainable investments	
Weight of sustainable investments in the portfolio	79,92%
Of which sustainable investments E	69,24%
Of which sustainable investments S	52,83%

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

● ***In which economic sectors were the investments made?***



Exposure to the fossil fuel sector averaged 5,05% over the period.

Taxonomy-aligned activities are expressed as a share of:

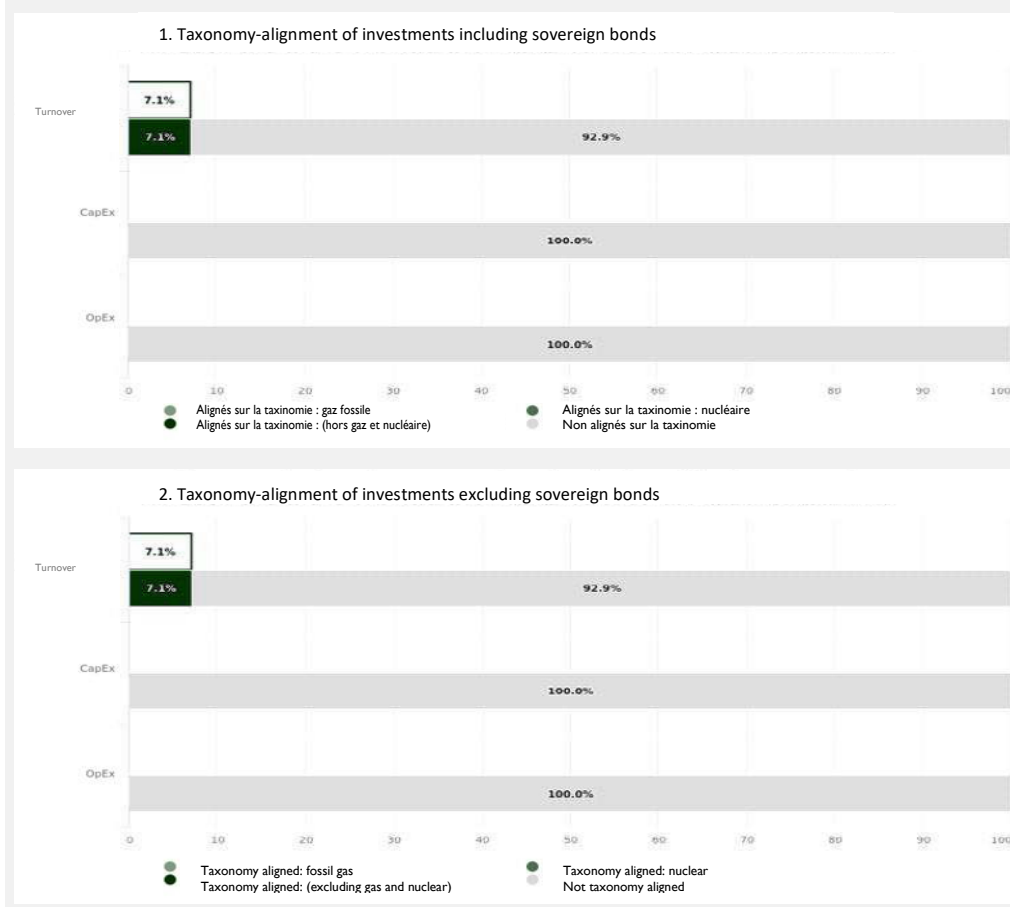
- **turnover** reflects the “greenness” of investee companies today;
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy;
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

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

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

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

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



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

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

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

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

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

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

Not applicable



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



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

The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 69,18%.

It corresponds to all activities not aligned with the Taxonomy but respecting the environmental objectives of sustainable investment mentioned above.



What was the share of socially sustainable investments?

The share of socially sustainable investments is 52,83%

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



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

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 1,78%.



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

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

- The non-financial analysis rate

The rate of non-financial analysis of the product's investments is, according to the product's investment categories, higher than:

- 90% for equities issued by large capitalisation companies with their headquarters in “developed” countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;
- 75% for equities issued by large capitalisation companies with their headquarters in “emerging” countries, equities issued by small and mid caps, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by “emerging” countries.

These rates are expressed as a percentage of total assets.
Over the past period, the non-financial analysis rate was 98,22% on average.

- The portfolio's average ESG rating

The analysts-managers ensure that the portfolio's weighted average ESG rating is higher than the average of the reference universe by using Moody's ESG Solutions non-financial rating framework

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

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

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



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

Not applicable.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.