

**Annual report on the execution of orders through trading platforms or systematic internalisers,
market makers or other liquidity providers**

In accordance with the regulations relating to Markets in Financial Instruments (MiFID II), this report sets out the five main counterparties or execution platforms used by Lazard when providing their Clients with the receipt - transmission of orders or order execution services on behalf of third parties for the period from 1 January to 31 December 2021.

This report provides an analysis by class of financial instruments that includes, for each category of financial instrument, where applicable:

- The names of the 5 counterparties and their identifiers;
- The proportion of the volume of orders executed as a percentage of the total volume in that category;
- The proportion of orders executed as a percentage of the total number in this category;
- The percentage of passive orders, i.e. orders that provided liquidity;
- The percentage of aggressive orders, i.e. orders that have absorbed liquidity;
- The percentage of directed orders, i.e. orders for which the client has specified the execution venue in advance.

Qualitative Analysis applicable to all asset classes

Client orders were executed through execution venues or systematic internalisers, market makers or other liquidity providers or entities performing similar functions in third countries.

Lazard Frères Gestion and Lazard Frères Banque have no close links with the platforms or counterparties used to execute orders. Similarly, no conflict of interest was identified during 2021.

The counterparties and brokers used are subject to prior authorisation by the Broker Committee of Compagnie Financière Lazard Frères, which includes representatives of Lazard Frères Gestion and Lazard Frères Banque. This Committee also monitors these entities. During 2021, some intermediaries were added and others were removed.

In the absence of specific instructions from a client, the total cost, likelihood of execution, speed of execution and settlement are the Best Execution factors that Lazard Frères Gestion and Lazard Frères Banque take into account to obtain the best possible result for their clients. For particularly large orders, Lazard Frères Gestion and Lazard Frères Banque prioritise the speed and probability of execution of the order.

Lazard Frères Gestion applies the same execution policy for its discretionary management and UCI management. Consequently, the global view is more relevant and representative of the selected intermediaries.

1. Receipt and transmission of orders on behalf of third parties

When providing the receipt and transmission of orders service or as part of a portfolio management or UCI management service, Lazard Frères Gestion used its trading capabilities to transmit for execution to other entities orders resulting from its own investment decisions on behalf of its clients or the UCIs it manages, on the one hand, and the orders transmitted to it by its clients, on the other.

Lazard's equity trading desk evaluates its counterparties based on three criteria:

- Execution, i.e. compliance with the instructions given by the desk, monitoring of orders, responsiveness in the event of fluctuations in the stock market price and monitoring of post-trade activities until the successful completion of the transaction.
- Liquidity, i.e. the ability of a broker to find liquidity in order to minimise the impact on the market price of a significant order or a "Small Cap". Particular interest is paid to this latter asset class.
- Market information, i.e. all the market information provided by a counterparty to the trading desk throughout the day (a summary each morning of pre-opening information and announcements on an ongoing basis that may have an impact on the securities managed by Lazard Frères Gestion).

- Equities

Instrument category		T12 equities (from 0 to 79 transactions per day)				
Indicate whether < 1 order executed on average per business day of the previous year		No				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KEPLER CHEUVREUX	9695005EOZG9X8IRJD84	19.33%	21.72%	97.23%	0.85%	-
INSTINET EUROPE LIMITED	213800MXAKR2LA1VBM44	12.04%	10.95%	94.09%	3.38%	-
CREDIT SUISSE SECURITIES (EUROPE) LIMITED	DL6FFRRLF74S01HE2M14	9.70%	5.59%	94.21%	-	-
UBS Limited	REYPIEJN7XZHSUI0N355	9.27%	10.07%	87.61%	-	-
SMBC NIKKO CAPITAL MARKETS LIMITED	G7WFA3G3MT5YHH8CHG81	8.83%	8.32%	100%	-	-

Source: *LiquidMetrix*

Instrument category		T34 equities (from 80 to 1,999 transactions per day)				
Indicate whether < 1 order executed on average per business day of the previous year		No				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KEPLER CHEUVREUX	9695005 EOZG9X8IRJ D84	12.99%	17.49%	96.52%	0.23%	-
CARNEGIE INVESTMENT BANK AB	529900BR5NZNQZEVQ417	10.71%	6.17%	100%	-	-
SKANDINAVISKA ENSKILDA BANKEN AB	F3JS33DEI6XQ4ZBPTN86	8.51%	5.17%	-	-	-
EXANE LIMITED	213800SH9MTNZQJKP526	7.15%	7.51%	93.78%	-	-
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	5.93%	12.25%	-	86.59%	-

Source: LiquidMetrix

Instrument category		T56 equities (more than 2,000 transactions per day)				
Indicate whether < 1 order executed on average per business day of the previous year		No				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KEPLER CHEUVREUX	9695005 EOZG9X8IRJ D84	11.43%	13.09%	99.19%	0.16%	
STIFEL EUROPE BANK AG (MAINF)	529900MC68RTGHKI4F05	8.18%	7.37%	-	-	-
BARCLAYS CAPITAL SECURITIES LIMITED	K9WDOH4D2PYBSLSOB484	8.07%	2.29%	-	-	-
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	8.05%	15.11%	-	89.40%	-
EXANE LIMITED	213800SH9MTNZQJKP526	6.80%	5.97%	97.88%	-	-

Source: LiquidMetrix

- Exchange-traded products

Instrument category		Exchange-traded notes (ETNs), exchange-traded funds (ETFs) and exchange-traded commodities (ETCs)				
Indicate whether < 1 order executed on average per business day of the previous year		No				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KEPLER CHEUVREUX	9695005 EOZG9X8IRJ D84	25.81%	15.56%	100%	-	-
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	20.90%	23.46%	-	81.05%	-
STIFEL EUROPE BANK AG (MAINF)	529900MC68RTGHKI4F05	18.02%	13.58%	-	-	-
SANFORDC BERNSTEIN & CO LLC (SBERN42)	549300I7JYZHT7D50D04	17.23%	0.49%	100%	-	-
WILLIAM BLAIR & COMPANY, L.L.C.	549300J0P7XYE8BMZ775	9.01%	10.12%	12.20%	-	-

Source: *LiquidMetrix*

- Securitised derivatives

Instrument category		Securitised derivatives, warrants and certificate derivatives				
Indicate whether < 1 order executed on average per business day of the previous year		Yes				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	61.76%	40.98%	-	96%	-
KEPLER CHEUVREUX	9695005 EOZG9X8IRJ D84	36.84%	37.71%	100%	-	-
GILBERT DUPONT	969500UEQ3U3P21QNJ13	1.28%	18.03%	9.09%	-	-
EXANE LIMITED	213800SH9MTNZQJKP526	0.11%	1.64%	100%	-	-
XMLI		0.01%	1.64%	-	100%	-

Source: Liquid Metrix

- Debt instruments Bonds

Instrument category		Debt instruments Bonds				
Indicate whether < 1 order executed on average per business day of the previous year		Yes				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
KEPLER CHEUVREUX	9695005 EOZG9X8IRJ D84	96.26%	71.43%	60%	40%	-
ODDO BHF SCA (ULBB_PLAT)	969500219DJHZ3449O66	3.74%	28.57%	-	-	-

Source: LiquidMetrix

Trading is carried out with intermediaries previously authorised by Lazard. The counterparty is chosen based on the quality of the execution of orders (speed, monitoring, delivery of bonds). The order is then executed with the counterparty offering the most attractive price.

- Other instruments

Instrument category		Other instruments				
Indicate whether < 1 order executed on average per business day of the previous year		Yes				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
BARCLAYS CAPITAL SECURITIES LIMITED	K9WDOH4D2PYBSLSOB484	95.62%	11.11%	-	-	-
WILLIAM BLAIR & COMPANY, L.L.C.	549300J0P7XYE8BMZ775	3.73%	44.45%	75%	-	-
JEFFERIES	5493004I3LZM39BWHQ75	0.49%	11.11%	-	-	-
STIFEL EUROPE BANK AG (MAINF)	529900MC68RTGHK14F05	0.08%	11.11%	-	-	-
KEPLER CHEUVREUX	9695005EQZG9X8IRJD84	0.07%	11.11%	100%	-	-

Source: LiquidMetrix

2. Order execution activity on behalf of third parties

The execution venues on which orders are executed include regulated markets, multilateral trading facilities, systematic internalisers, market makers or other liquidity providers. Lazard Frères Gestion and Lazard Frères Banque provide an order execution service on debt instruments, interest rate derivatives, currency derivatives, credit derivatives and equity derivatives.

- Debt instruments Bonds

Instrument category		Debt instruments Bonds				
Indicate whether < 1 order executed on average per business day of the previous year		No				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bank of America	549300FH0WJAPEHTIQ77	17.42%	7.33%	-	100%	-
JP MORGAN SECURITIES PLC	K6Q0W1PS1L1O4IQL9C32	15.68%	13%	-	100%	-
JEFFERIES	5493004I3LZM39BWHQ75	15.45%	14.33%		100%	
GOLDMAN SACHS	W22LROWP2IHZNBB6K528	12.30%	8.78%	-	100%	-
BARCLAYS BANK IRELAND PLC	2G5BKIC2CB69PRJH1W31	8.75%	12.11%	-	100%	-

Source: BTCA

With regard to bonds, trading is carried out over-the-counter. The liquidity of the market fluctuates by nature and must be understood in connection with the parameters of the order initiated. The selection criteria used to identify an intermediary are the price, size and probability and speed of execution. The manager systematically consults three counterparties. The intermediary offering the best price for the size requested within a short time frame is selected.

- Debt instruments Money Market

Instrument category		Debt instruments Money Market				
Indicate whether < 1 order executed on average per business day of the previous year		No				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
BRED Banque Populaire	NICH5Q04ADUV9SN3Q390	38.35%	38.42%	-	100%	-
HPC	969500UN3VAQBT5IME82	8.59%	6.40%	-	100%	-
CACIB	1VUV7VQFKUOQSJ21A208	6.62%	5.42%	-	100%	-
BGC	5RJTDGZG4559ESIYLD31	5.80%	4.93%	-	100%	-
TULLET PERSON	549300BMVW85YF9FGN67	4.98%	3.45%	-	100%	-

Source: BTCA

In the case of money market debt instruments, trading is carried out over-the-counter. The liquidity of the market fluctuates by nature and must be understood in connection with the parameters of the order initiated. As with bonds, the selection criteria used to identify an intermediary are price, size and probability and speed of execution. The intermediary offering the best price for the size requested within a short time frame is selected.

- Interest Rate Derivatives (Futures)

Instrument category		Interest Rate Derivatives (Futures)				
Indicate whether < 1 order executed on average per business day of the previous year		No				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
CACEIS	96950023SCR9X9F3L662	99.96%	99.09%	-	-	-
UBS EUROPE SE	5299007QVIQ7IO64NX37	0.04%	0.91%	-	-	-

Internal source

Due to the market characteristics (liquidity, depth) and in view of the very low impact of orders generated by Lazard Frères Gestion on the market, the selection of intermediaries is mainly based on operational criteria linked to the organisational structure chosen between the manager, the intermediary and the depositary/valuation agent. The relevance of this assumption is reviewed at least once a year.

- Currency derivatives

Instrument category		Currency derivatives (Futures)				
Indicate whether < 1 order executed on average per business day of the previous year		No				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
CACEIS	96950023SCR9X9F3L662	99.32%	80.74%	-	-	-
JP MORGAN AG	549300ZK53CNGEEI6A29	0.52%	0.43%			
UBS EUROPE SE	5299007QVIQ7IO64NX37	0.16%	18.83%			

Internal source

Due to the market characteristics (liquidity, depth) and in view of the very low impact of orders generated by Lazard Frères Gestion on the market, the selection of intermediaries is mainly based on operational criteria linked to the organisational structure chosen between the manager, the intermediary and the depositary/valuation agent. The relevance of this assumption is reviewed at least once a year.

- Credit derivatives

Instrument category		Credit derivatives				
Indicate whether < 1 order executed on average per business day of the previous year		Yes				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
BNP PARIBAS	R0MUWSFPU8MPR08K5P83	50.73%	54.34%	-	-	-
JP MORGAN AG	549300ZK53CNGEEI6A29	41.40%	42.01%	-	-	-
SOCIETE GENERALE CIB	O2RNE8IBXP4R0TD8PU41	6.24%	3.20%	-	-	-
GOLDMAN SACHS	W22LROWP2IHZNBB6K528	1.63%	0.46%			

Internal source

- Equity derivatives

Instrument category		Equity derivatives (Futures)				
Indicate whether < 1 order executed on average per business day of the previous year		No				
MAIN COUNTERPARTIES	LEI	Proportion of executed order volume as a percentage of total volume in this category	Proportion of number of orders executed as a percentage of total number in this category	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
CACEIS	96950023SCR9X9F3L662	54.46%	94.99%	-	-	-
UBS EUROPE SE	5299007QVIQ7I064NX37	45.54%	5.01%	-	-	-

Internal source

Due to the market characteristics (liquidity, depth) and in view of the very low impact of orders generated by Lazard Frères Gestion on the market, the selection of intermediaries is mainly based on operational criteria linked to the organisational structure chosen between the manager, the intermediary and the depositary/valuation agent. The relevance of this assumption is reviewed at least once a year.