

French open-end investment fund (SICAV)

LAZARD SMALL CAPS EURO

ANNUAL REPORT

as of September 30th, 2025

Management company: Lazard Frères Gestion SAS

Custodian: Lazard Frères Banque

Statutory auditor: Deloitte & Associés

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1. CHARACTERISTICS OF THE UCI

LEGAL FORM

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

CLASSIFICATION

Eurozone country equities.

APPROPRIATION OF DISTRIBUTABLE INCOME

Distributable income consists of:

- 1) net revenues plus retained earnings, plus or minus the balance of the revenue adjustment account. Net revenues for the financial year are equal to the amount of interest, arrears, dividends, bonuses and prizes, remuneration and all income generated by the securities that make up the UCI's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.
- 2) realised capital gains, net of expenses, minus 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.

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

Appropriation of distributable income

I, T shares:

The appropriation of distributable income is decided each year by the shareholders' meeting. It may pay interim dividends.

R shares

Distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law.

INVESTMENT OBJECTIVE

I shares, R shares, T shares

The investment objective is to achieve, through a Socially Responsible Investment (SRI) management approach, a performance net of fees that exceeds that of the following benchmark over the recommended investment period of five years: MSCI EMU Small Cap. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

BENCHMARK INDEX

I shares, R shares, T shares

MSCI EMU Small Cap

The MSCI EMU Small Cap index is a representative index of small caps in the 10 developed countries of the EMU (European Economic and Monetary Union).

Data are available at: www.msci.com

Bloomberg code: M7EMSC

INVESTMENT STRATEGY

1. Strategies used

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

- A best-in-universe approach that consists in favouring the issuers with the best non-financial ratings, irrespective of their business sector.
- Identifying companies with the best economic performance profiles.
- Verifying that performance through financial analysis and examination of underlying strategies.
- Selecting stocks from such companies according to the market's undervaluation of that performance at a given time.
- Building a portfolio within the Eurozone but with no other geographical or sectoral restrictions.

The focus on achieving the optimum ratio between the company's economic performance and valuation may result in wide divergences between the SICAV's performance and its sector and/or country mix and those of the underlying asset class, i.e. small and mid caps from the Eurozone.

The minimum degree of exposure to the Eurozone equity markets is 75% of the SICAV's net assets.

Non-financial criteria

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

All ESG information is provided in the appendix to this prospectus.

The inclusion of Environmental, Social and Governance (ESG) criteria influences the analysis of companies held in the portfolio without being a determining factor in decision-making.

Analysis of investments in directly held equities

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.

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 enabling reduced disclosure regarding 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 equities 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 analyst-managers ensure that the average rating weighted by the E, S and G factors is maintained above that of the average of the ESG benchmark universe by using the non-financial rating framework of our ESG providers.

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,
- Protection 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%.

2. Assets excluding derivatives

Equities:

Eurozone small and mid caps.

Delisted stocks (to a maximum of 5% of net assets).

Debt securities and instruments:

French and foreign negotiable debt securities (mainly French and US treasury bills and BTAN medium-term treasury notes).

UCIs:

The manager may invest up to a maximum of 10% in UCITS-compliant or alternative investment funds.

These UCIs may be managed by the management company.

The SICAV is an eligible investment for a French equity savings plan (PEA) and therefore maintains a minimum of 75% of the assets as PEA eligible securities.

3. Derivatives

- Types of markets:

- ☒ regulated
- ☒ organised
- ☒ OTC

- The manager intends to seek exposure to the following risks:

- ☒ equity
- ☐ interest rates
- ☐ currency
- ☐ credit
- ☐ other risks

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

- ☒ hedging
- ☒ exposure
- ☐ arbitrage
- ☐ other type

- Types of instruments used:

- ☒ **futures:**

- ☒ equity and equity indices
- ☐ interest rate
- ☐ currency
- ☐ other

- ☒ **options:**

- ☒ equity and equity indices
- ☐ interest rate
- ☐ currency
- ☐ other

- ☐ **swaps:**

- ☐ equity swaps
- ☐ interest rate swaps
- ☐ currency swaps
- ☐ performance swaps

- ☐ **currency forwards**

- ☐ **credit derivatives**

- ☐ **other type**

- Derivatives strategy to achieve the investment objective:

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

4. Securities with embedded derivatives

The acquisition of these securities is not part of the SICAV's strategy. Nevertheless, the manager may invest in any securities with embedded derivatives permitted under the management company's business plan, notably warrants, certificates or rights acquired following transactions involving the portfolio securities.

5. Deposits

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

6. Cash borrowings

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

7. Temporary purchases and sales of securities

None.

8. Information on financial guarantees

In connection with over-the-counter derivative transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (Autorité des Marchés Financiers - AMF), the SICAV may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash. Any cash collateral received is reinvested in accordance with the applicable rules. All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility. Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

RISK PROFILE

Your money will be mainly invested in financial instruments selected by the management company.

These instruments will be exposed to market trends and fluctuations.

▪ Risk of capital loss

There is no guarantee of the UCI's performance or protection of capital. As such, the investor may not get back the full amount of the initial investment during redemption.

▪ Risk associated with discretionary management

Discretionary management is based on anticipating market trends. The UCI's performance depends on both the securities and UCIs that the portfolio manager chooses and on the portfolio manager's allocation of assets. There is therefore a risk that the manager may not select the best-performing securities or choose the optimal asset allocation.

▪ Equity risk

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

▪ Market capitalisation risk

The volume of small- and mid-cap stocks traded on the stock market is lower than that of large caps, which means they can be more significantly impacted by market movements than large caps. The UCI's net asset value may decline quickly and sharply.

▪ Liquidity risk

This is the risk that a financial market cannot absorb transaction volumes due to trading volumes being too low or pressure on the markets. Such a situation may impact the pricing or timing when the UCI liquidates, initiates or modifies positions and thus cause a decline in the UCI's net asset value.

▪ Counterparty risk

The risk linked to the use of forward financial instruments traded over the counter. A transaction of this type with one or more counterparties potentially exposes the UCI to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the UCI's net asset value.

▪ Interest rate risk

The risk of a decline in debt instruments as a result of changes in interest rates. This risk is measured by the level of sensitivity. For instance, bond prices tend to move in the opposite direction to interest rates. The net asset value may decline during periods when there is an increase (positive sensitivity) or decrease (negative sensitivity) in interest rates.

▪ Derivative financial instrument risk

The risk arising from the UCI's use of forward financial instruments (derivatives), which may lead to a bigger decrease in the net asset value than on the markets or in the underlying assets in which the UCI has invested.

▪ **Sustainability risk**

Any environmental, social or governance event or situation that, if it occurs, could have an actual or potential negative impact on the value of the investment. Specifically, the negative effects of sustainability risks can affect issuers via a range of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or impairment of asset value; 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.

▪ **ESG investment risk and methodological limitations**

Non-financial criteria can be integrated into the investment process using data provided by external providers or directly reported by our analysts, notably in our proprietary ESG analysis grid. Data may be incomplete or inaccurate due to the lack of international standards or systematic verification by external third parties. It can be difficult to compare data because issuers do not necessarily publish the same indicators. The unavailability of data may also force management not to include an issuer in the portfolio. The management company may therefore exclude securities of certain issuers for non-financial reasons, regardless of market opportunities.

GUARANTEE OR PROTECTION

None.

ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE

I and R shares: all subscribers.

* T shares - Authorised investors and minimum subscription amount:

- No minimum subscription amount for (i) UCIs managed by the management company or (ii) the management company in the context of proprietary investment;
- No minimum subscription amount for (i) investors subject to MiFID II (solely and exclusively in the context of their independent advisory activities or the provision of third-party investment management services) or (ii) investors that do not receive retrocession payments on their activities in foreign countries that are not subject to this directive, subject to the prior agreement of the management company;
- An initial minimum subscription amount of €500 000 for all other investors.

The instruments and strategies used are that of an aggressive investment profile. The SICAV is intended for investors seeking exposure to small- and mid-cap markets.

Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this UCI.

Information on Russian and Belarusian investors

In accordance with the provisions of EU Regulation No. 833/2014 as amended by EU Regulation No. 2022/328 and EC Regulation No. 765/2006 as amended by Regulation (EU) No. 2022/398, the subscription of units or shares in this UCI is prohibited to any Russian or Belarusian national, any natural person residing in Russia or Belarus or any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State and to natural persons holding a temporary or permanent residence permit in a Member State of the European Union. This prohibition shall remain in effect for as long as the Regulations are in force.

Information on US investors

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

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

FATCA

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

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

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

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

This UCI may not be suitable for investors planning to withdraw their investment within five years.

2. CHANGES AFFECTING THE UCI

The Board of Directors of the **LAZARD SMALL CAPS EURO SRI SICAV (ISIN code: FR0010689141)**, which met on November 19th, 2024, recorded the end of the **Relance Label** on **March 11th, 2025** and decided:

- To discontinue the SRI label and move to ESG 2 category,
- To change the allocation of R share income from accumulation and/or distribution and/or carry forward to pure accumulation.

➤ **Effective date: 02/01/2025**

The extraordinary shareholders' meeting of the **LAZARD SMALL CAPS EURO SRI SICAV (ISIN code: FR0010689141)**, which met on December 27th, 2024, decided as follows:

- To amend Article 27 of the Articles of Association "Appropriation of net income and distributable amounts":
 - o The term "net income" has been replaced by "net revenues" in the SICAV's legal documentation, in accordance with the wording of article L.214-17-2 of the French Monetary and Financial Code on distributable amounts.
- To change the name of the SICAV so that the notion of SRI no longer appears in its corporate name and to adopt the name LAZARD SMALL CAPS EURO *instead of* LAZARD SMALL CAPS EURO SRI

➤ **Effective date: 02/01/2025**

The Board of Directors of the **LAZARD SMALL CAPS EURO SICAV (ISIN code: FR0010689141)**, which met on September 16th, 2025, informed the directors that the AMF had amended its policy on the type of fees that may be charged by mutual funds and SICAVs, replacing the concept of "administrative fees external to the management company" with "operating and service fees" (FFS). It was decided to introduce operating and service fees and to no longer charge transaction fees.

➤ **Effective date: 31/12/2025**

3. CORPORATE GOVERNANCE REPORT

Corporate governance (CSR) section

I. List of offices held in public limited companies (SA) and/or open-ended investment companies (SICAV) having their registered office in France

Directors' names (individuals in office at 30/09/2025)	Number of mandates (SICAVs/SAs)	List of offices and positions held in SAs and SICAVs
Sylvain Mortera	3	- Chairman of the SICAV Lazard Small Caps Euro's Board of Directors - Director of the Lazard Convertible Global SICAV - Board member of the Amundi Oblig Internationales SICAV
François de Saint-Pierre <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Chairman of the Board of Directors of the Objectif Monde SICAV - Chairman and Chief Executive Officer of the Objectif Gestion Mondiale SICAV - Board member of the Lazard Small Caps Euro SICAV - Board member of the Lazard Equity SRI SICAV - Board member of the T3SO SICAV
François-Marc Durand <i>Chairman of Lazard Frères Gestion SAS</i>	4	- Chairman and Chief Executive Officer of the Lazard Alpha Allocation SICAV - Chairman and Chief Executive Officer of the Norden SRI SICAV - Board member of the Lazard Small Caps Euro SICAV - Board member of the Lazard Funds SICAV (SICAV with sub-funds)
Monica Nescaut <i>Managing Director of Lazard Frères Gestion SAS</i>	5	- Board member of the Lazard Small Caps Euro SICAV - Board member of the Lazard Funds SICAV (SICAV with sub-funds) - Board member of the Norden SRI SICAV - Board member of the Lazard Equity SRI SICAV - Director of the Lazard Convertible Global SICAV

II. Directors' fees

Members of the Board of Directors	Directors' fees paid by the SICAV
Sylvain Mortera	€ 7.623
François de Saint-Pierre <i>Managing Director of Lazard Frères Gestion SAS</i>	0
François-Marc Durand <i>Chairman of Lazard Frères Gestion SAS</i>	0
Monica Nescout <i>Managing Director of Lazard Frères Gestion SAS</i>	0
Lazard Frères Gestion SAS Represented by Thomas Brenier	0
SMAVie BTP	€ 1.525
La Mondiale	€ 1.525
Caisse Centrale de Réassurance – CCR	€ 1 525

III. 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 L. 225-37-4 para.2 of the French Commercial Code during the financial year ended September 30th, 2025.

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

No delegation of authority pursuant to Article L. 225-37-4 para.3 of the French Commercial Code was granted or was ongoing during the financial year ended September 30th, 2025.

V. Method of operation of the executive management

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

4. MANAGEMENT REPORT

PERFORMANCE

I shares

The net asset value rose from €929,82 on September 30th, 2024 to €1 021,54 on September 30th, 2025, which equates to an increase of 9,86 %.

R shares

The net asset value rose from €1 735,88 on September 30th, 2024 to €1 900,46 on September 30th, 2025, which equates to an increase of 9,48 %.

T shares

The net asset value rose from €206,28 on September 30th, 2024 to €227,54 on September 30th, 2025, which equates to an increase of 10,31 %.

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

The performance of the MSCI EMU Small Cap index over the period was: 16,84%.

ECONOMIC ENVIRONMENT

Over the last twelve months, the economic environment has undergone profound changes. The US announced a sharp increase in tariffs on its imports, breaking with the economic order established over the past forty years. At the same time, Donald Trump's actions reignited the debate on the independence of the Federal Reserve. In Europe, Germany made a radical shift in its fiscal policy, with the announcement of a large-scale stimulus plan. At the same time, geopolitical instability highlighted Europe's dependence on its traditional partners, leading European countries to step up the development of their military capabilities and defence industries.

The good news is that the global economy proved more resilient than expected in the face of the protectionist shock. In the US, domestic demand remained strong, partly thanks to investments in the artificial intelligence sector. However, the labour market began to show signs of a turnaround from the summer of 2025, leading the Federal Reserve to resume its rate cuts after a nine-month pause, despite persistently high inflation. In Europe, growth remained resilient, although performance varied among the major countries. In this context, the European Central Bank halted its rate cuts, as inflation returned close to target. In China, growth stabilised at a rate of more than 5%.

Against this backdrop, equity indices posted solid gains, despite a period of extreme volatility following the US tariff announcements in April 2025. Ten-year sovereign bond yields rose, more so in Europe than in the United States, while spreads in peripheral Eurozone countries tightened. In terms of currencies, the trend was marked by a clear appreciation of the euro against most currencies, particularly against the dollar and the yen. Commodities rose overall, despite a fall in oil prices.

Economy

Since taking office in January 2025, Donald Trump has made a series of announcements on tariffs, with various arrangements depending on the country and sector, sudden decisions, temporary suspensions and exemptions.

On April 2nd, 2025, the United States imposed significant tariffs on most countries, which were partially suspended for a period of 90 days on April 9th, 2025. Following these announcements, trade tensions with China escalated in mid-April 2025, until a trade truce was reached in early May 2025.

The summer of 2025 was then marked by the signing of several bilateral agreements, with rates of 15% for the EU and Japan. On July 31st, 2025, the reciprocal tariffs announced on April 2nd were adjusted. At the end of September 2025, the average U.S. tariff rate reached nearly 18%, the highest since 1934.

US growth remained solid at +2,1% year-on-year in the second quarter of 2025, underpinned by household consumption and strong investment in artificial intelligence. The labour market began to show signs of a downturn from the summer of 2025 onwards, with job creation stalling. However, the unemployment rate remained low at 4,3%. Headline inflation accelerated slightly to +2,9% year-on-year, while core inflation moderated to +3,1%, as tariffs had only a moderate impact on prices.

The Federal Reserve made two 25 basis point rate cuts at the end of 2024. The poor employment figures published in the summer of 2025 led to a resumption of rate cuts in September 2025, with a 25 basis point cut to 4,00-4,25%. In terms of unconventional measures, the Federal Reserve announced a slowdown in the pace of its balance sheet reduction in March 2025, to a maximum rate of \$40bn per month.

In the summer, the US Congress passed Donald Trump's budget bill.

In the Eurozone, GDP growth remained solid at +1,5% year-on-year in the second quarter of 2025, driven by strong domestic demand. However, economic performance varied among the major economies: +3,1% in Spain, +0,8% in France, +0,4% in Italy and -0,2% in Germany. The unemployment rate remained close to its lowest level at 6,3%. Headline inflation rose to +2,2% year-on-year, while core inflation moderated to +2,3%.

After six consecutive 25 basis point cuts, the ECB paused in July and September 2025, bringing the deposit rate to 2,00% at the end of the period.

In Germany, Chancellor Olaf Scholz lost the Bundestag vote of confidence on December 16th, 2024, after the FDP left the government coalition in November. This defeat led to early federal elections on February 23rd, 2025, which resulted in the formation of a grand coalition between the CDU/CSU and the SPD, as well as the election of Friedrich Merz as Chancellor. In early March 2025, this new government announced a historic fiscal stimulus plan: a €500 billion fund (11,6% of GDP) to modernise infrastructure over 12 years, a potentially unlimited increase in military spending, and the possibility for the Länder to increase their deficits.

In France, prime minister Michel Barnier was ousted by a vote of no confidence on December 4th, 2024. François Bayrou succeeded him on December 13th, 2024, but was forced to resign after a vote of confidence failed on September 8th, 2025. He was succeeded by Sébastien Lecornu on September 9th, 2025.

In China, GDP growth held up well at +5,2% year-on-year in the second quarter of 2025. Domestic demand remained hampered by the real estate crisis, but household consumption benefited from government stimulus measures. At the same time, increased exports to the rest of the world partially offset the decline in sales to the US. However, domestic demand weakened significantly from the summer of 2025 onwards, and the GDP deflator recorded its longest period of decline since the late 1990s, falling 1,2% year-on-year in the second quarter. To counter these deflationary pressures, the authorities stepped up their "anti-involution" campaign by introducing targeted stimulus measures.

Markets

Over the past twelve months, the MSCI World All Country Index in US dollars rose by +15,6%, with marked increases across all regions: the Topix rose +18,6%, the S&P 500 +16,1%, the MSCI Emerging Markets Index +15,0%, and the Euro Stoxx +13,0%. The CAC 40 significantly underperformed, gaining only +3.4%, partly due to political uncertainty. For a European investor not hedged against currency risk, the appreciation of the euro against most currencies dampened the performance of foreign markets.

This strong performance in the equity markets masked several bouts of volatility. After a relatively quiet end to 2024, US equities corrected in early 2025. Concerns about US growth and the emergence of new players in the field of artificial intelligence led investors to reassess their expectations for the US markets, causing a sharp decline in the "Magnificent Seven." In contrast, the Euro Stoxx rose sharply over this period, buoyed by the most cyclical sectors (banks, consumer discretionary, etc.).

The April 2nd, 2025 announcements on reciprocal tariffs triggered extreme but brief volatility. Equity markets initially fell, before bouncing back sharply following the announcement that tariffs would be suspended for 90 days. Subsequently, the uptrend continued, driven by the resilience of the global economy, progress in trade negotiations, increasing expectations of Federal Reserve rate cuts and the artificial intelligence theme.

This environment fuelled volatility in government bond markets. The 10-year US Treasury yield fluctuated between 3,73% and 4,79% to end at 4,15%, up 37 basis points. In Germany, the equivalent yield rose 59bp to 2,71%, with a historic 30bp rise on March 5th, 2025, following the announcement of the fiscal stimulus plan. Peripheral 10-year spreads tightened by 25bp for Spain and by 50bp for Italy. In France, the political risk premium remained high, but the spread with Germany rose by just 3bp over the period, to 82bp.

In the currency market, the euro appreciated overall against most of its major trading partners, rising 8,5% against the yen, 5,4% against the dollar, and 4,8% against the pound sterling. However, it fell by 0,8% against the Swiss franc. In commodities, the S&P GSCI index rose by +3,2% despite an 8.4% drop in the price of Brent crude oil, from USD 72 to USD 66 per barrel.

MANAGEMENT POLICY

The net asset value of the SICAV Lazard Small Caps Euro SRI (I shares) rose by 9,86% in the financial year ended September 30th, 2025. By way of comparison, the MSCI EMU Small Cap index gained 16,84% and the Euro Stoxx index (representing large caps) 15,86% over the same period. The SICAV's volatility was 13,72% over the last financial year and 12,15% over three years, calculated on a weekly basis. The average proportion of investments in securities over the year was 97,38%.

In addition to continuing geopolitical uncertainties linked to the war in Ukraine, the economic and stock market performance of European companies was particularly influenced by two themes during the year. In March, the announcement by the new German government of a massive investment plan aimed at modernising infrastructure and increasing military spending sparked renewed optimism among companies in Germany and more broadly across Europe. However, the imposition by the United States of massive tariffs on most of its trading partners in April significantly disrupted investment plans, supply chains and final demand for European companies exposed to the US market. The constant and sometimes contradictory changes in the US administration's communication on these tariffs kept visibility very low for companies during the rest of the financial year. Lastly, on a more local level, political instability in France (which accounted for 28% of the portfolio and 17% of the benchmark as of September 30th, 2025) led to investment delays that weighed on final demand for a number of companies exposed to the French market.

Following several years in which small caps underperformed large caps, it should be noted that a significant catch-up took place between end-February 2025 and end-August 2025. Over this period, the Eurostoxx returned 3,54%, while the Fund and the MSCI EMU Small Cap index gained 10,72% and 11,14% respectively. Small caps benefited from the improved macroeconomic outlook in Europe and were marginally less affected than large caps by uncertainties surrounding US tariffs. According to our analysis, small caps still have significant catch-up potential and could support the SICAV's performance if the improvement in the macroeconomic outlook in Europe is confirmed.

Several portfolio companies posted significant gains during the year. The German speciality chemicals company Alzchem (+216% over the financial year) was once again buoyed by the continuous improvement of its product mix, resulting in sustained earnings growth. It has also benefited from the announcement of funding from the European Union and the US Army to significantly increase the production capacity of one of its products, which is a key component in the manufacture of artillery shells. German semiconductor equipment supplier PVA Tepla (+102%) reported a significant improvement in order intake during the financial year. Vossloh (+88%), a German manufacturer of railway infrastructure components, was buoyed by the announcement of the German government's investment plan, adding to the already positive outlook for its business. The rises of Technotrans (+70%), 74Software (+55%), Jensen Group (+48%) and KSB (46%), reflecting in each case a significant improvement in earnings, also contributed to the SICAV's absolute performance over the financial year.

Conversely, French survey specialist Ipsos (-30%) suffered from sluggish growth, exacerbated by the reorganisation of its US subsidiary during the financial year. The French outsourced R&D group Alten (-29% over the financial year) suffered from a temporary deterioration in demand in its main markets, particularly the automotive industry and, to a lesser extent, the aerospace industry. German distributor of small professional equipment Takkt (-46%) saw no improvement in the volumes ordered by its customers, despite the positive trend in sentiment indicators. Its business was also disrupted by the commercial repositioning of its largest division, following the appointment of a new CEO. Sopra (-12%), a French IT services specialist, experienced

some delays in the French market during the first part of the financial year, which had a marginal impact on revenue growth. Virbac (-18%) also made a negative contribution to performance, despite reporting earnings in line with expectations.

Between September 30th, 2024 and September 30th, 2025, we sold two positions in the portfolio. In March 2025, we sold our position in Piovan as part of the takeover bid initiated by the company's main shareholder. The position in Spie was then sold in July 2025 for valuation reasons, after a performance of +44% since the beginning of the financial year. In October 2024, we initiated a new position in the German company Siltronic, one of the world's five leading producers of wafers for the semiconductor industry.

In the future, we will continue to apply the same methodology in managing the portfolio: we believe the fund's investment strategy, based on selecting highly profitable companies with low debt levels (leverage of less than 1x) and undervalued by the market, is highly appropriate in the current environment. Despite macroeconomic and geopolitical uncertainty, we believe these same companies have very significant upside potential, given the strength of their earnings growth through the cycle and their valuation level, which we believe is discounted.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EU SHRT TRM MONEY M-C	40 535 290,74	24 322 599,80
ALZCHEM GROUP AG	-	27 360 098,66
PIOVAN SPA	-	24 758 599,60
SPIE SA	382 618,96	23 138 091,47
SILTRONIC AG	20 847 434,17	-
INTERPUMP GROUP SPA	5 988 026,95	4 362 104,95
COMER INDUSTRIES SPA	9 999 419,70	-
IPSOS	6 493 952,43	2 470 975,00
SOPRA STERIA GROUP	8 695 981,36	-
ALTEN SA	7 672 853,88	-

5. REGULATORY INFORMATION

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

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

• **Exposure through efficient management techniques:** -

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

• **Underlying exposure through derivative financial instruments:** -

- o Currency forwards: -
- o Futures: -
- o Options: -
- o Swap: -

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

Efficient portfolio management techniques	Derivative financial instruments (*)
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	-
Derivative financial instruments	
. Term deposits	-
. Equities	-
. Bonds	-
. UCITS	-
. Cash	-
Total	-

(*) 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	-
. Direct operating expenses	-
. Indirect operating expenses	-
. Other expenses	-
Total expenses	-

(*) Income on securities lending and repurchase agreements

TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND THE REUSE OF FINANCIAL INSTRUMENTS – SFTR – IN THE ACCOUNTING CURRENCY OF THE UCI (€)

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

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

Pursuant to Article 50 of the SFDR Level 2 Delegated Regulation, information on the attainment of the environmental or social characteristics promoted by the financial product forming part of this management report is available in the appendix.

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 1°, I of Article L. 221-31 of the French Monetary and Financial Code.

Proportion actually invested during the financial year: 84,37%.

INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE

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

PROCEDURE FOR RECOVERY OF WITHHOLDING TAXES

European Union countries may apply different taxation methods for dividends paid to domestic entities and foreign entities. Foreign entities that receive dividends are frequently subject to withholding tax, causing a difference in tax treatment that is in breach of the free circulation of capital, and therefore contrary to European Union law. Since there are several decisions by the European Union Court of Justice and the Council of State in favour of foreign residents, the management company shall request reimbursement of withholding tax paid on dividends received by foreign companies for funds domiciled in France, when the prospects for repayment of the withholding tax are deemed favourable to the funds concerned. The time involved and results of claims of this nature to the tax authorities concerned are uncertain. No reimbursement was received for the financial year ended 30/09/25.

REMUNERATION

The fixed and variable remuneration paid during the year ended December 31st, 2024 by the management company to its personnel identified as eligible for the UCITS and AIFM regulations can be obtained on request by post from the legal department of Lazard Frères Gestion and is 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 financial and non-financial risks, as well as 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.

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 31/12/2024: Fixed-term and permanent contracts of LFG, LFG Luxembourg and LFG Belgique
(therefore excluding interns and apprentices and excluding LFG Courtage)

Headcount at 31/12/2024 LFG - LFG Belgique - LFG Luxembourg	Fixed annual remuneration in 2024 in €	Variable remuneration for 2024 (Cash paid in 2025 and deferred allocated in 2025) in €
229	24 007 768	28 926 961

"Identified employees"

Category	Number of employees	2024 aggregate fixed and variable remuneration (annual salaries and cash and deferred bonuses)
Senior management	3	5 639 385
Other	63	28 022 847
Total	66	33 662 232

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

6. CERTIFICATION BY THE STATUTORY AUDITOR

LAZARD SMALL CAPS EURO

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

10 avenue Percier
75008 Paris, France

Statutory auditor's report on the annual financial statements

Financial year ended September 30th, 2025

To the shareholders' meeting,

Opinion

In accordance with the terms of our appointment by your board of directors, we conducted our audit of the accompanying annual financial statements of the Undertaking for Collective Investment LAZARD SMALL CAPS EURO, incorporated as a French open-end investment company (SICAV), for the financial year ended September 30th, 2025.

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

Opinion on the annual financial statements

Audit standards

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

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

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from October 1st, 2024 to the date of issue of our report.

Basis of our opinions

In accordance with the provisions of Articles L.821-53 and R.821-180 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, the reasonableness of significant estimates used, and the presentation of all of the financial statements.

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

Specific verifications

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

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

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

Information on corporate governance

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

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

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

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

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

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

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

As stipulated in Article L. 821-55 of the French Commercial Code (Code de commerce), our audit assignment does not consist in guaranteeing the viability or quality of the management of the SICAV.

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

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

LAZARD SMALL CAPS EURO

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

10, avenue Percier
75008 Paris

Statutory Auditor's special report on regulated agreements

Shareholders' meeting to approve the financial statements for the financial year ended
September 30th, 2025

To the shareholders' meeting,

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

We are required to report to you, based on the information we have been provided, on the main characteristics and terms 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, 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

Agreements entered into during the past financial year

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

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

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

Paris La Défense, December 19th, 2025

The statutory auditor
Deloitte & Associés

Virginie Gaitte

Virginie Gaitte

7. ANNUAL FINANCIAL STATEMENTS

Balance sheet assets as at 30/09/2025 in EUR	30/09/2025	30/09/2024
Net tangible fixed assets	-	-
Financial securities		
Equities and similar securities (A)	748 481 116,30	644 312 920,43
Traded on a regulated or equivalent market	748 481 116,30	644 312 920,43
Not traded on a regulated or equivalent market	-	-
Bonds convertible into shares (B)	-	-
Traded on a regulated or equivalent market	-	-
Not traded on a regulated or equivalent market	-	-
Bonds and similar securities (C)	-	-
Traded on a regulated or equivalent market	-	-
Not traded on a regulated or equivalent market	-	-
Debt securities (D)	-	-
Traded on a regulated or equivalent market	-	-
Not traded on a regulated or equivalent market	-	-
UCI and investment fund units (E)	20 229 480,42	3 695 510,01
UCITS	20 229 480,42	3 695 510,01
AIFs and equivalents from other European Union Member States	-	-
Other UCIs and investment funds	-	-
Deposits (F)	-	-
Forward financial instruments (G)	-	-
Temporary securities transactions (H)	-	-
Receivables on securities purchased under repurchase agreements	-	-
Receivables on securities pledged as collateral	-	-
Receivables on loaned securities	-	-
Borrowed securities	-	-
Securities sold under repurchase agreements	-	-
Other temporary transactions	-	-
Loans (I) (*)	-	-
Other eligible assets (J)	-	-
Sub-total eligible assets I = (A+B+C+D+E+F+G+H+I+J)	768 710 596,72	648 008 430,44
Receivables and prepayments and accrued income	1 535 233,47	1 358 058,08
Financial accounts	12 585 399,72	250 148,87
Sub-total assets other than eligible assets II	14 120 633,19	1 608 206,95
Total assets I+II	782 831 229,91	649 616 637,39

(*) This section does not apply to the UCI under review.

Balance sheet liabilities as at 30/09/2025 in EUR	30/09/2025	30/09/2024
Shareholders' equity:		
Share capital	711 208 791,53	587 612 349,58
Net income carried forward	-	-
Net realised gains and losses carried forward	-	-
Net income for the year	70 303 734,85	59 109 648,30
Shareholders' equity I	781 512 526,38	646 721 997,88
Financing liabilities II (*)	-	-
Equity and financing liabilities (I+II)	781 512 526,38	646 721 997,88
Eligible liabilities:		
Financial instruments (A)	-	-
Sales of financial instruments	-	-
Temporary financial securities transactions	-	-
Forward financial instruments (B)	-	-
Borrowings (C) (*)	-	-
Other eligible liabilities (D)	-	-
Sub-total eligible liabilities III = (A+B+C+D)	-	-
Other liabilities:		
Liabilities and accrued charges and deferred income	1 318 703,53	2 894 639,51
Bank overdrafts	-	-
Sub-total other liabilities IV	1 318 703,53	2 894 639,51
Total liabilities: I+II+III+IV	782 831 229,91	649 616 637,39

(*) This section does not apply to the UCI under review.

Income statement as at 30/09/2025 in EUR	30/09/2025	30/09/2024
Net financial income		
Income from financial transactions:		
Income from equities	16 908 550,39	28 114 135,46
Income from bonds	-	-
Income from debt securities	-	-
Income from UCI units	-	-
Income from forward financial instruments	-	-
Income from temporary securities transactions	-	-
Income from loans and receivables	-	-
Income from other eligible assets and liabilities	-	-
Other financial income	-	-
Sub-total income from financial transactions	16 908 550,39	28 114 135,46
Expenses on financial transactions		
Expenses on financial transactions	-	-
Expenses on forward financial instruments	-	-
Expenses on temporary securities transactions	-	-
Expenses on loans	-	-
Expenses on other eligible assets and liabilities	-	-
Expenses on financing liabilities	-	-
Other financial expenses	-	-
Sub-total expenses on financial transactions	-	-
Total net financial income (A)	16 908 550,39	28 114 135,46
Other income:		
Distribution of management fees to the UCI	-	-
Capital or performance guarantee payments	-	-
Other income	-	-
Other expenses:		
Management company fees	-12 950 198,60	-11 245 232,12
Audit and research fees for private equity funds	-	-
Taxes and duties	-	-
Other expenses	-	-
Sub-total other income and other expenses (B)	-12 950 198,60	-11 245 232,12
Sub-total net income before accruals (C = A-B)	3 958 351,79	16 868 903,34
Adjustment of net income for the year (D)	12 003,44	-891 227,51
Sub-total net income I = (C+D)	3 970 355,23	15 977 675,83
Net realised gains/losses before accruals:		
Realised capital gains/losses	46 891 346,94	-2 110 572,32
External transaction and disposal costs	-1 042 298,81	-1 152 467,09
Research fees	-	-
Share of realised capital gains returned to insurers	-	-
Insurance compensation received	-	-
Capital or performance guarantee payments received	-	-
Sub-total net realised capital gains/losses before accruals (E)	45 849 048,13	-3 263 039,41
Adjustment of net realised capital gains/losses (F)	1 197 820,42	3 037 847,61
Net realised gains/losses II = (E+F)	47 046 868,55	-225 191,80

Income statement as at 30/09/2025 in EUR	30/09/2025	30/09/2024
Net unrealised gains/losses before accruals:		
Change in unrealised capital gains/losses including exchange differences on eligible assets	19 026 151,01	30 508 524,66
Exchange differences on foreign currency accounts	-	-
Capital or performance guarantee payments receivable	-	-
Share of unrealised capital gains to be returned to insurers	-	-
Sub-total of net unrealised gains/losses before accruals (G)	19 026 151,01	30 508 524,66
Adjustment of net unrealised capital gains/losses (H)	260 360,06	12 848 639,61
Net unrealised gains/losses III = (G+H)	19 286 511,07	43 357 164,27
Interim dividends:		
Interim dividends paid on net income for the financial year (J)	-	-
Interim dividends paid on net realised capital gains/losses for the financial year (K)	-	-
Total interim dividends paid in respect of the financial year IV = (J+K)	-	-
Corporate income tax V (*)	-	-
Net income I + II + III + IV + V	70 303 734,85	59 109 648,30

(*) This section does not apply to the UCI under review.

NOTES TO THE FINANCIAL STATEMENTS

A. General information

A1. Characteristics and activity of the open-ended UCI

A1a. Investment strategy and profile

The Fund aims to outperform, over a recommended minimum investment period of five years and net of expenses, Eurozone small and mid-caps, represented by the MSCI EMU Small Cap, net dividends reinvested.

These characteristics are fully and accurately described in the prospectus/regulations of the UCI.

A1b. Characteristics of the UCI over the last 5 financial years

	30/09/2021	30/09/2022	29/09/2023	30/09/2024	30/09/2025
Global net assets in EUR	745 072 127,09	420 290 287,00	480 005 093,27	646 721 997,88	781 512 526,38
LAZARD SMALL CAPS EURO I shares in EUR					
Net assets	615 598 859,98	359 411 839,37	407 278 817,71	564 693 208,77	624 961 671,67
Number of units	641 115,458	504 625,664	482 181,117	607 313,238	611 779,038
Net asset value per unit	960,19	712,23	844,65	929,82	1 021,54
Accumulation per unit pertaining to net capital gains and losses	15,99	71,95	70,81	-0,32	61,50
Accumulation per unit pertaining to income	3,21	6,52	11,31	23,16	5,01
LAZARD SMALL CAPS EURO R shares in EUR					
Net assets	75 519 092,66	43 718 294,39	46 339 763,96	57 098 620,58	64 359 029,49
Number of units	41 688,240	32 649,664	29 283,756	32 893,095	33 864,903
Net asset value per unit	1 811,52	1 339,01	1 582,43	1 735,88	1 900,46
Accumulation per unit pertaining to net capital gains and losses	30,21	135,57	132,96	-0,47	114,57
Accumulation per unit pertaining to income	0,27	6,41	15,53	37,17	3,07
LAZARD SMALL CAPS EURO T shares in EUR					
Net assets	53 954 174,45	17 160 153,24	26 386 511,60	24 930 168,53	92 191 825,22
Number of units	254 667,227	108 914,495	141 168,600	120 851,358	405 156,138
Net asset value per unit	211,86	157,55	186,91	206,28	227,54
Accumulation per unit pertaining to net capital gains and losses	3,51	15,89	15,61	-0,09	13,67
Accumulation per unit pertaining to income	0,90	1,98	2,64	5,67	1,96

A2. Accounting rules and principles

The annual financial statements are presented in accordance with regulation 2020-07 of the French accounting standards body (Autorité des Normes Comptables - ANC) amended by ANC regulation 2022-03.

The general accounting principles apply:

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 12 months.

Asset valuation rules

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

Marketable securities:

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

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

- **Fixed-income securities**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)[®] 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.

- **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.

- **Temporary purchases/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.

- **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.

1.2. Financial instruments and securities not traded on a regulated market

Products traded on a non-regulated market are valued on a market-to-market basis using conventional valuation models.

1.3. 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 UCI'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 UCI'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 UCI'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:

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

- 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.

Costs charged to the UCI	Basis	Share	Maximum rate (incl. taxes)		
Financial management fees	Net assets	I	1,830%		
		R	2,180%		
		T	1,430%		
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	French equities	Up to €100 000	0,48%
				€100 001 to €200 000	0,31%
				€200 001 to €300 000	0,24%
				More than €300 000	0,17%
			Eurozone equities excluding France	Up to €100 000	0,72%
				€100 001 to €200 000	0,47%
				€200 001 to €300 000	0,36%
				More than €300 000	0,25%
			Fixed-income instruments	None	
			Futures and other transactions	From €0 to €450 per batch/contract	
Performance fee	Net assets	I, R	None		
		T	20% of the Fund's outperformance relative to the benchmark index		

Retrocessions received on management fees or entry charges

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.

Details of the 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.

Negative performance recovery and reference period

As stated in the ESMA guidelines on performance fees, the reference period is “the time horizon over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset. This period is set at 5 years. This means that after 5 consecutive years without crystallisation, uncompensated underperformances prior to five years will no longer be taken into account in the calculation of the performance fee.

Observation period

The first observation period will start with a period of twelve months starting on 01/10/2021. At the end of each financial year, one of the following two cases may occur:

- The UCI share underperformed over the observation period. In this case, no fee is charged and the observation period is extended by one year, up to a maximum of 5 years (reference period).
- The UCI share outperformed over the observation period. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

Provisioning

Each time the net asset value (NAV) is established, the performance fee is subject to a provision (of 20% of the outperformance) when the performance of the UCI share is higher than that of the notional UCI over the observation period, or to a reversal of the provision limited to the existing allocation in case of underperformance. In case of redemptions during the period, the proportion of the provision corresponding to the number of shares redeemed is definitively acquired and charged by the management company.

Crystallisation

The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months.

The first crystallisation period will end on the last day of the financial year ending on 30/09/2022. The performance fee is deducted even in the event of a negative performance of the UCI.

Appropriation of distributable income

Definition of distributable income:

Distributable income consists of:

Income:

Net income plus retained earnings and plus or minus the balance of the income 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.

In accordance with regulations for shares with distribution rights:

The amounts referred to as "income" and "capital gains and losses" may be distributed independently of each other, in whole or in part.

Distributable income is paid out no later than one month after the shareholders' meeting.

Where the UCI is authorised under Regulation (EU) 2017/1131 of the European Parliament and of the Council of June 14th, 2017 on money market funds, by way of derogation from the provisions of I, distributable income may also include unrealised capital gains.

Appropriation of distributable income:

Share(s)	Appropriation of net income	Appropriation of net realised capital gains or losses
LAZARD SMALL CAPS EURO I 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
LAZARD SMALL CAPS EURO T 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
LAZARD SMALL CAPS EURO R shares	Accumulation	Accumulation

B. Changes in shareholders' equity and financing liabilities

B1. Changes in shareholders' equity and financing liabilities

Changes in shareholders' equity during the year in EUR	30/09/2025	30/09/2024
Shareholders' equity at beginning of year	646 721 997,88	480 005 093,27
Cash flow for the year:		
Subscriptions called (including subscription fee retained by the UCI)	175 659 524,95	251 969 675,99
Redemptions (net of redemption fee retained by the UCI)	-109 702 547,38	-129 367 159,97
Net income for the year before accruals	3 958 351,79	16 868 903,34
Net realised capital gains/losses before accruals	45 849 048,13	-3 263 039,41
Change in unrealised gains/losses before accruals	19 026 151,01	30 508 524,66
Distribution of prior year's net income	-	-
Distribution of prior year's net realised capital gains and losses	-	-
Distribution of prior year's unrealised capital gains	-	-
Interim dividends paid during the year on net income	-	-
Interim dividends paid on net realised capital gains or losses during the year	-	-
Interim dividends paid on unrealised capital gains during the year	-	-
Other items	-	-
Shareholders' equity at year-end (= Net assets)	781 512 526,38	646 721 997,88

B2. Reconstitution of the "equity" line of private equity funds and other vehicles

For the UCI under review, the presentation of this item is not required by accounting regulations.

B3. Change in the number of shares during the year

B3a. Number of shares subscribed and redeemed during the year

	In equity	In amounts
LAZARD SMALL CAPS EURO I shares		
Shares subscribed during the financial year	103 815,058	95 593 712,39
Shares redeemed during the financial year	-99 349,258	-89 924 585,51
Net balance of subscriptions/redemptions	4 465,800	5 669 126,88
Number of shares outstanding at the end of the financial year	611 779,038	
LAZARD SMALL CAPS EURO R shares		
Shares subscribed during the financial year	7 405,272	13 390 219,64
Shares redeemed during the financial year	-6 433,464	-11 365 918,94
Net balance of subscriptions/redemptions	971,808	2 024 300,70
Number of shares outstanding at the end of the financial year	33 864,903	
LAZARD SMALL CAPS EURO T shares		
Shares subscribed during the financial year	325 178,939	66 675 592,92
Shares redeemed during the financial year	-40 874,159	-8 412 042,93
Net balance of subscriptions/redemptions	284 304,780	58 263 549,99
Number of shares outstanding at the end of the financial year	405 156,138	

B3b. Subscription and/or redemption fees retained

	In amounts
LAZARD SMALL CAPS EURO I shares	
Total subscription and/or redemption fees acquired	-
Subscription fees acquired	-
Redemption fees acquired	-
LAZARD SMALL CAPS EURO R shares	
Total subscription and/or redemption fees acquired	-
Subscription fees acquired	-
Redemption fees acquired	-
LAZARD SMALL CAPS EURO T shares	
Total subscription and/or redemption fees acquired	-
Subscription fees acquired	-
Redemption fees acquired	-

B4. Flows concerning the nominal amount called and redeemed during the year

For the UCI under review, the presentation of this item is not required by accounting regulations.

B5. Flows on financing liabilities

For the UCI under review, the presentation of this item is not required by accounting regulations.

B6. Breakdown of net assets by type of share

Share name ISIN code	Appropriation of net income	Appropriation of net realised capital gains or losses	Share currency	Net assets per share	Number of shares	NAV
LAZARD SMALL CAPS EURO I FR0000174310	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV	EUR	624 961 671,67	611 779,038	1 021,54
LAZARD SMALL CAPS EURO R FR0010689141	Accumulation	Accumulation	EUR	64 359 029,49	33 864,903	1 900,46
LAZARD SMALL CAPS EURO T FR0013284536	Accumulation and/or Distribution and/or Retention as decided by the SICAV	Accumulation and/or Distribution and/or Retention as decided by the SICAV	EUR	92 191 825,22	405 156,138	227,54

C. Information on direct and indirect exposures to different markets

C1. Presentation of direct exposures by type of market and exposure

C1a. Direct exposure to the equity market (excluding convertible bonds)

Amounts in thousands of EUR	Exposure +/-	Breakdown of significant exposures by country				
		Country 1	Country 2	Country 3	Country 4	Country 5
		GERMANY +/-	FRANCE +/-	ITALY +/-	FINLAND +/-	AUSTRIA +/-
Assets						
Equities and similar securities	748 481,12	291 345,76	212 849,07	100 824,20	46 306,72	35 646,27
Temporary securities transactions	-	-	-	-	-	-
Liabilities						
Sales of financial instruments	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-
Off-balance sheet items						
Futures	-	NA	NA	NA	NA	NA
Options	-	NA	NA	NA	NA	NA
Swaps	-	NA	NA	NA	NA	NA
Other financial instruments	-	NA	NA	NA	NA	NA
Total	748 481,12					

C1b. Exposure to the convertible bond market - Breakdown by country and maturity of exposure

Amounts in thousands of EUR	Exposure +/-	Breakdown of exposure by maturity			Breakdown by delta level	
		= 1 year	1=5 years	> 5 years	= 0,6	0,6=1
Total	-	-	-	-	-	-

C1c. Direct exposure to the fixed income market (excluding convertible bonds) - Breakdown by type of interest rate

Amounts in thousands of EUR	Exposure +/-	Breakdown of exposures by type of interest rate			
		Fixed rate +/-	Variable or adjustable rate +/-	Indexed rate +/-	Other or without interest rate counterparty +/-
Assets					
Deposits	-	-	-	-	-
Bonds	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Financial accounts	12 585,40	-	-	-	12 585,40
Liabilities					
Sales of financial instruments	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Borrowings	-	-	-	-	-
Financial accounts	-	-	-	-	-
Off-balance sheet items					
Futures	NA	-	-	-	-
Options	NA	-	-	-	-
Swaps	NA	-	-	-	-
Other financial instruments	NA	-	-	-	-
Total		-	-	-	12 585,40

C1d. Direct exposure to the fixed income market (excluding convertible bonds) - Breakdown by residual maturity

Amounts in thousands of EUR	[0 - 3 months] (*) +/-	]3 - 6 months] (*) +/-	]6 - 12 months] (*) +/-	]1 - 3 years] (*) +/-	]3 - 5 years] (*) +/-	]5 - 10 years] (*) +/-	>10 years (*) +/-
Assets							
Deposits	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-	-
Financial accounts	12 585,40	-	-	-	-	-	-
Liabilities							
Sales of financial instruments	-	-	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Financial accounts	-	-	-	-	-	-	-
Off-balance sheet items							
Futures	-	-	-	-	-	-	-
Options	-	-	-	-	-	-	-
Swaps	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-
Total	12 585,40	-	-	-	-	-	-

(*) The UCI may group or complete the residual maturity intervals depending on the relevance of the investment and borrowing strategies.

C1e. Direct exposure to the currency market

Amounts in thousands of EUR	Currency 1	Currency 2	Currency 3	Currency 4	Currency N
	+/-	+/-	+/-	+/-	+/-
Assets					
Deposits	-	-	-	-	-
Equities and similar securities	-	-	-	-	-
Bonds and similar securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Receivables	-	-	-	-	-
Financial accounts	-	-	-	-	-
Liabilities					
Sales of financial instruments	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Borrowings	-	-	-	-	-
Liabilities	-	-	-	-	-
Financial accounts	-	-	-	-	-
Off-balance sheet items					
Foreign currencies receivable	-	-	-	-	-
Foreign currencies to be delivered	-	-	-	-	-
Futures options swaps	-	-	-	-	-
Other transactions	-	-	-	-	-
Total	-	-	-	-	-

C1f. Direct exposure to credit markets

Amounts in thousands of EUR	Invest. Grade	Non Invest. Grade	Unrated
	+/-	+/-	+/-
Assets			
Bonds convertible into shares	-	-	-
Bonds and similar securities	-	-	-
Debt securities	-	-	-
Temporary securities transactions	-	-	-
Liabilities			
Sales of financial instruments	-	-	-
Temporary securities transactions	-	-	-
Off-balance sheet items			
Credit derivatives	-	-	-
Net balance	-	-	-

C1g. Exposure of transactions involving a counterparty

Counterparties (amounts in thousands of EUR)	Current value of a receivable	Current value of a liability
Transactions on the asset side of the balance sheet Deposits Non-cleared forward financial instruments Receivables on securities purchased under repurchase agreements Receivables on securities pledged as collateral Receivables on loaned securities Borrowed securities Securities received as collateral Securities sold under repurchase agreements Receivables Cash collateral Cash security deposit paid Transactions on the liabilities side of the balance sheet Liabilities on securities sold under repurchase agreements Non-cleared forward financial instruments Liabilities Cash collateral		

C2. Indirect exposures for multi-management UCIs

This section does not apply to the UCI under review.

C3. Exposure to private equity portfolios

For the UCI under review, the presentation of this item is not required by accounting regulations.

C4. Loan exposure for OFS

For the UCI under review, the presentation of this item is not required by accounting regulations.

D. Other balance sheet and income statement information

D1. Breakdown of receivables and liabilities by type

	Debit/credit item	30/09/2025
Receivables		
	Subscription receivables	1 107 246,34
	Coupons and dividends in cash	427 987,13
Total receivables		1 535 233,47
Liabilities		
	Redemptions payable	64 195,89
	Fixed management fees	1 254 507,64
Total liabilities		1 318 703,53
Total receivables and liabilities		216 529,94

D2. Management fees, other costs and expenses

	30/09/2025
LAZARD SMALL CAPS EURO I shares	
Guarantee fees	-
Fixed management fees	10 611 706,93
Percentage of fixed management fees	1,84
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 SMALL CAPS EURO R shares	
Guarantee fees	-
Fixed management fees	1 276 830,49
Percentage of fixed management fees	2,19
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 SMALL CAPS EURO T shares	
Guarantee fees	-
Fixed management fees	1 061 661,18
Percentage of fixed management fees	1,44
Provisioned variable management fees	-
Percentage of variable management fees provisioned	-
Variable management fees earned	-
Percentage of variable management fees earned	-
Retrocessions of management fees	-

D3. Commitments received and given

Other commitments (by type of product)	30/09/2025
Guarantees received	-
- of which financial instruments received as collateral and not recorded on the balance sheet	-
Guarantees given	-
- of which financial instruments given as collateral and retained under their original classification	-
Financing commitments received but not yet drawn down	-
Financing commitments given but not yet drawn down	-
Other off-balance sheet commitments	-
Total	-

D4. Other information

D4a. Current value of financial instruments held temporarily

	30/09/2025
Securities held under repurchase agreements	-
Borrowed securities	-

D4b. Financial instruments held, issued and/or managed by the Group

	ISIN code	Name	30/09/2025
Equities			-
Bonds			-
Negotiable debt securities			-
UCIs			20 229 480,42
	FR0011291657	LAZARD EU SHRT TRM MONEY M-C	20 229 278,85
	FR0011637164	LAZARD INVESTISSEMENT PEA-PME R	201,57
Forward financial instruments			-
Total group securities			20 229 480,42

D5. Determination and breakdown of distributable income

D5a. Appropriation of distributable income pertaining to net income

Appropriation of distributable income pertaining to net income	30/09/2025	30/09/2024
Net income	3 970 355,23	15 977 675,83
Interim dividends paid on net income for the year	-	-
Income for the year available for appropriation	3 970 355,23	15 977 675,83
Retained earnings	-	-
Distributable income pertaining to net income	3 970 355,23	15 977 675,83

LAZARD SMALL CAPS EURO I shares

Appropriation of distributable income pertaining to net income	30/09/2025	30/09/2024
Net income	3 068 158,87	14 068 953,43
Interim dividends paid on net income for the year (*)	-	-
Income for the year available for appropriation (**)	3 068 158,87	14 068 953,43
Retained earnings	-	-
Distributable income pertaining to net income	3 068 158,87	14 068 953,43
Appropriation:		
Distribution	-	-
Income for the year carried forward	-	-
Accumulation	3 068 158,87	14 068 953,43
Total	3 068 158,87	14 068 953,43
* Information on interim dividends paid		
Amount per unit	-	-
Total tax credits	-	-
Tax credit per share	-	-
** Information on shares or units with dividend rights		
Number of shares	-	-
Distribution per unit remaining to be paid after payment of interim dividends	-	-
Tax credits attached to the distribution of income	-	-

LAZARD SMALL CAPS EURO R shares

Appropriation of distributable income pertaining to net income	30/09/2025	30/09/2024
Net income	104 222,35	1 222 746,50
Interim dividends paid on net income for the year (*)	-	-
Income for the year available for appropriation (**)	104 222,35	1 222 746,50
Retained earnings	-	-
Distributable income pertaining to net income	104 222,35	1 222 746,50
Appropriation:		
Distribution	-	-
Income for the year carried forward	-	-
Accumulation	104 222,35	1 222 746,50
Total	104 222,35	1 222 746,50
* Information on interim dividends paid		
Amount per unit	-	-
Total tax credits	-	-
Tax credit per share	-	-
** Information on shares or units with dividend rights		
Number of shares	-	-
Distribution per unit remaining to be paid after payment of interim dividends	-	-
Tax credits attached to the distribution of income	-	-

LAZARD SMALL CAPS EURO T shares

Appropriation of distributable income pertaining to net income	30/09/2025	30/09/2024
Net income	797 974,01	685 975,90
Interim dividends paid on net income for the year (*)	-	-
Income for the year available for appropriation (**)	797 974,01	685 975,90
Retained earnings	-	-
Distributable income pertaining to net income	797 974,01	685 975,90
Appropriation:		
Distribution	-	-
Income for the year carried forward	-	-
Accumulation	797 974,01	685 975,90
Total	797 974,01	685 975,90
* Information on interim dividends paid		
Amount per unit	-	-
Total tax credits	-	-
Tax credit per share	-	-
** Information on shares or units with dividend rights		
Number of shares	-	-
Distribution per unit remaining to be paid after payment of interim dividends	-	-
Tax credits attached to the distribution of income	-	-

D5b. Appropriation of distributable income pertaining to net realised capital gains and losses

Appropriation of distributable income pertaining to net realised capital gains and losses	30/09/2025	30/09/2024
Net capital gains/losses for the year	47 046 868,55	-225 191,80
Interim dividends paid on net realised capital gains/losses for the year	-	-
Net realised capital gains/losses available for appropriation	47 046 868,55	-225 191,80
Undistributed net realised capital gains and losses from previous years	-	-
Distributable income pertaining to realised capital gains/losses	47 046 868,55	-225 191,80

LAZARD SMALL CAPS EURO I shares

Appropriation of distributable income pertaining to net realised capital gains and losses	30/09/2025	30/09/2024
Net capital gains/losses for the year	37 625 238,80	-197 790,47
Interim dividends paid on net realised capital gains/losses for the year (*)	-	-
Net realised capital gains/losses available for appropriation (**)	37 625 238,80	-197 790,47
Undistributed net realised capital gains and losses from previous years	-	-
Distributable income pertaining to realised capital gains/losses	37 625 238,80	-197 790,47
Appropriation:		
Distribution	-	-
Net realised capital gains/losses carried forward	-	-
Accumulation	37 625 238,80	-197 790,47
Total	37 625 238,80	-197 790,47
* Information on interim dividends paid		
Interim dividends paid per unit	-	-
** Information on shares or units with dividend rights		
Number of shares	-	-
Distribution per unit remaining to be paid after payment of interim dividends	-	-

LAZARD SMALL CAPS EURO R shares

Appropriation of distributable income pertaining to net realised capital gains and losses	30/09/2025	30/09/2024
Net capital gains/losses for the year	3 879 991,06	-15 770,45
Interim dividends paid on net realised capital gains/losses for the year (*)	-	-
Net realised capital gains/losses available for appropriation (**)	3 879 991,06	-15 770,45
Undistributed net realised capital gains and losses from previous years	-	-
Distributable income pertaining to realised capital gains/losses	3 879 991,06	-15 770,45
Appropriation:		
Distribution	-	-
Net realised capital gains/losses carried forward	-	-
Accumulation	3 879 991,06	-15 770,45
Total	3 879 991,06	-15 770,45
* Information on interim dividends paid		
Interim dividends paid per unit	-	-
** Information on shares or units with dividend rights		
Number of shares	-	-
Distribution per unit remaining to be paid after payment of interim dividends	-	-

LAZARD SMALL CAPS EURO T shares

Appropriation of distributable income pertaining to net realised capital gains and losses	30/09/2025	30/09/2024
Net capital gains/losses for the year	5 541 638,69	-11 630,88
Interim dividends paid on net realised capital gains/losses for the year (*)	-	-
Net realised capital gains/losses available for appropriation (**)	5 541 638,69	-11 630,88
Undistributed net realised capital gains and losses from previous years	-	-
Distributable income pertaining to realised capital gains/losses	5 541 638,69	-11 630,88
Appropriation:		
Distribution	-	-
Net realised capital gains/losses carried forward	-	-
Accumulation	5 541 638,69	-11 630,88
Total	5 541 638,69	-11 630,88
* Information on interim dividends paid		
Interim dividends paid per unit	-	-
** Information on shares or units with dividend rights		
Number of shares	-	-
Distribution per unit remaining to be paid after payment of interim dividends	-	-

E. Inventory of assets and liabilities in EUR

E1. Inventory of balance sheet items

Description of securities by business sector (*)	Currency	Quantity or Nominal	Current value	% Net assets
EQUITIES AND SIMILAR SECURITIES			748 481 116,30	95,77
Equities and similar securities traded on a regulated or similar market			748 481 116,30	95,77
Consumer durables			58 397 581,00	7,47
DE'LONGHI SPA	EUR	789 000	24 285 420,00	3,11
EINHELL GERMANY AG-VORZUG	EUR	189 645	15 512 961,00	1,98
FISKARS OYJ ABP	EUR	851 000	10 382 200,00	1,33
SABAF SPA	EUR	597 600	8 217 000,00	1,05
Specialised distribution			2 616,66	0,00
ELEKTRONIKI ATHINON S.A.	EUR	261 666	2 616,66	0,00
Office electronics			34 285 824,00	4,39
74SOFTWARE SA	EUR	931 680	34 285 824,00	4,39
Packaging and wrapping			18 271 872,64	2,34
MAYR-MELNHOF KARTON AG	EUR	135 700	10 733 870,00	1,38
OENEO	EUR	791 807	7 538 002,64	0,96
Electrical equipment			6 604 400,00	0,85
ZUMTOBEL GROUP AG	EUR	1 651 100	6 604 400,00	0,85
Electronic equipment and instruments			21 436 000,00	2,74
SILTRONIC AG	EUR	460 000	21 436 000,00	2,74
Machinery			275 381 446,90	35,22
BIESSE SPA	EUR	1 055 000	7 796 450,00	1,00
COMER INDUSTRIES SPA	EUR	508 000	17 983 200,00	2,30
EXEL INDUSTRIES SA-A SHS	EUR	220 057	7 856 034,90	1,01
HIAB OYJ	EUR	338 000	16 771 560,00	2,15
INTERPUMP GROUP SPA	EUR	475 900	18 550 582,00	2,37
JENSENGROUP NV	EUR	302 000	18 180 400,00	2,33
KALMAR OYJ-B SHARE	EUR	568 000	19 152 960,00	2,45
KSB SE & CO KGAA-VORZUG	EUR	41 900	35 782 600,00	4,58
MANITOU BF	EUR	938 000	17 503 080,00	2,24
NORMA GROUP SE	EUR	1 358 000	19 365 080,00	2,48
ROSENBAUER INTERNATIONAL AG	EUR	398 000	18 308 000,00	2,34
SURTECO GROUP SE	EUR	510 000	6 630 000,00	0,85
TECHNOTRANS SE	EUR	406 000	12 586 000,00	1,61
VOSSLOH AG	EUR	420 000	38 010 000,00	4,83
WASH TEC AG	EUR	543 000	20 905 500,00	2,68
Building materials			21 035 000,00	2,69
STO AG VORZ.	EUR	175 000	21 035 000,00	2,69
Media			21 996 660,00	2,81
IPSOS	EUR	581 000	21 996 660,00	2,81
Paper and wood industry			27 418 770,00	3,51
ALTRI SGPS SA	EUR	2 577 000	12 910 770,00	1,65
CORTICEIRA AMORIM SA	EUR	2 015 000	14 508 000,00	1,86

E1. Inventory of balance sheet items

Description of securities by business sector (*)	Currency	Quantity or Nominal	Current value	% Net assets
Food products			23 991 544,00	3,07
FILA SPA	EUR	2 574 200	23 991 544,00	3,07
Chemical products			38 301 000,00	4,90
ALZCHEM GROUP AG	EUR	255 000	38 301 000,00	4,90
Pharmaceuticals			22 329 500,00	2,86
VIRBAC SA	EUR	71 000	22 329 500,00	2,86
Semiconductors and semiconductor equipment			21 480 272,00	2,75
PVA TEPLA	EUR	787 400	21 480 272,00	2,75
Business services			33 651 345,00	4,31
CEWE COLOR HOLDING	EUR	237 300	23 706 270,00	3,04
TAKKT AG	EUR	1 995 000	9 945 075,00	1,27
Business services			34 370 947,50	4,40
AMADEUS FIRE AG	EUR	133 000	6 650 000,00	0,85
ASSYSTEM	EUR	430 775	18 480 247,50	2,37
GROUPE CRIT	EUR	153 500	9 240 700,00	1,18
Information technology services			54 386 616,60	6,96
ALTEN SA	EUR	333 634	23 321 016,60	2,98
SOPRA STERIA GROUP	EUR	192 000	31 065 600,00	3,98
Commercial and distribution companies			19 232 400,00	2,46
THERMADOR GROUPE	EUR	258 500	19 232 400,00	2,46
Textiles, clothing and luxury items			15 907 320,00	2,04
VAN DE VELDE NV	EUR	514 800	15 907 320,00	2,04
UCI SECURITIES			20 229 480,42	2,59
UCITS			20 229 480,42	2,59
Collective management			20 229 480,42	2,59
LAZARD EU SHRT TRM MONEY M-C	EUR	9 383	20 229 278,85	2,59
Lazard Investissement PEA-PME R	EUR	1	201,57	0,00
Total			768 710 596,72	98,36

(*) The business sector represents the main activity of the issuer of the financial instrument; it is derived from reliable sources recognised at international level (mainly GICS and NACE).

E2. Inventory of forward exchange transactions

Transaction type	Current value presented in the balance sheet		Amount of exposure (*)			
	Assets	Liabilities	Foreign currencies to be received (+)		Foreign currencies to be delivered (-)	
			Currency	Amount (*)	Currency	Amount (*)
Total	-	-		-		-

(*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures expressed in the accounting currency.

E3. Inventory of forward financial instruments

E3a. Inventory of forward financial instruments - equities

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
1. Futures				
Subtotal 1.		-	-	-
2. Options				
Subtotal 2.		-	-	-
3. Swaps				
Subtotal 3.		-	-	-
4. Other instruments				
Subtotal 4.		-	-	-
Total		-	-	-

(*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures.

E3b. Inventory of forward financial instruments - interest rates

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
1. Futures				
Subtotal 1.		-	-	-
2. Options				
Subtotal 2.		-	-	-
3. Swaps				
Subtotal 3.		-	-	-
4. Other instruments				
Subtotal 4.		-	-	-
Total		-	-	-

(*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures.

E3c. Inventory of forward financial instruments - foreign currency

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
1. Futures				
Subtotal 1.		-	-	-
2. Options				
Subtotal 2.		-	-	-
3. Swaps				
Subtotal 3.		-	-	-
4. Other instruments				
Subtotal 4.		-	-	-
Total		-	-	-

(*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures.

E3d. Inventory of forward financial instruments - on credit risk

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
1. Futures				
Subtotal 1.		-	-	-
2. Options				
Subtotal 2.		-	-	-
3. Swaps				
Subtotal 3.		-	-	-
4. Other instruments				
Subtotal 4.		-	-	-
Total		-	-	-

(*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures.

E3e. Inventory of forward financial instruments - other exposures

Nature of commitments	Quantity or Nominal	Current value presented in the balance sheet		Amount of exposure (*)
		Assets	Liabilities	+/-
1. Futures				
Subtotal 1.		-	-	-
2. Options				
Subtotal 2.		-	-	-
3. Swaps				
Subtotal 3.		-	-	-
4. Other instruments				
Subtotal 4.		-	-	-
Total		-	-	-

(*) Amount determined in accordance with the provisions of the regulation on the presentation of exposures.

E4. Inventory of forward financial instruments or forward currency transactions used to hedge a share class

This section does not apply to the UCI under review.

E5. Inventory summary

	Current value presented in the balance sheet
Total inventory of eligible assets and liabilities (excluding forward financial instruments)	768 710 596,72
Inventory of forward financial instruments (excluding forward financial instruments used to hedge shares issued):	
Total forward currency transactions	-
Total forward financial instruments - equities	-
Total forward financial instruments - interest rates	-
Total forward financial instruments - foreign currency	-
Total forward financial instruments - credit	-
Total forward financial instruments - other exposures	-
Inventory of forward financial instruments used to hedge shares issued	-
Other assets (+)	14 120 633,19
Other liabilities (-)	-1 318 703,53
Financing liabilities (-)	-
Total = net assets	781 512 526,38

Share name	Share currency	Number of shares	NAV
LAZARD SMALL CAPS EURO I shares	EUR	611 779,038	1 021,54
LAZARD SMALL CAPS EURO R shares	EUR	33 864,903	1 900,46
LAZARD SMALL CAPS EURO T shares	EUR	405 156,138	227,54

8. TEXT OF RESOLUTIONS

LAZARD SMALL CAPS EURO

French open-end investment company (Société d'Investissement à Capital Variable)
Registered office: 10, avenue Percier, 75008 Paris
Paris Trade and Companies Register No. 851 386 425

PROPOSED APPROPRIATION OF DISTRIBUTABLE INCOME

Financial year ended September 30th, 2025

Second resolution

The shareholders' meeting approves the distributable income for the financial year, which amounts to:

€3 970 355,23	Distributable income pertaining to net income,
€47 046 868,55	Distributable amount pertaining to net capital gains and losses

and decides that they shall be appropriated as follows:

1) Distributable income pertaining to net income:

- I shares:	Accumulation: €3 068 158,87
- R shares:	Accumulation: €104 222,35
- T shares:	Accumulation: €797 974,01

2) Distributable income pertaining to net capital gains and losses

- I shares:	Accumulation: €37 625 238,80
- R shares:	Accumulation: €3 879 991,06
- T shares:	Accumulation: €5 541 638,69

For information: No dividend has been paid in respect of the last four financial years.

9. 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 Small Caps Euro

Legal entity identifier: 969500F8C5PA2RZAN106

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 companies in which the financial product invests follow good governance practices.

The UE 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

☒ ☐ ☒ No

☐ It made sustainable investments with an environmental objective: %

☒ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 61,71% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective and carried out 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

☒ with an environmental objective carried out in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It made sustainable investments with a social objective: %

☐ It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by 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

as well as 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
- Promotion of 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.

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

● How did the sustainability indicators perform?

The achievement of the environmental and social characteristics promoted by this product is measured by sustainability indicators: These indicators are described below.

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 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.).

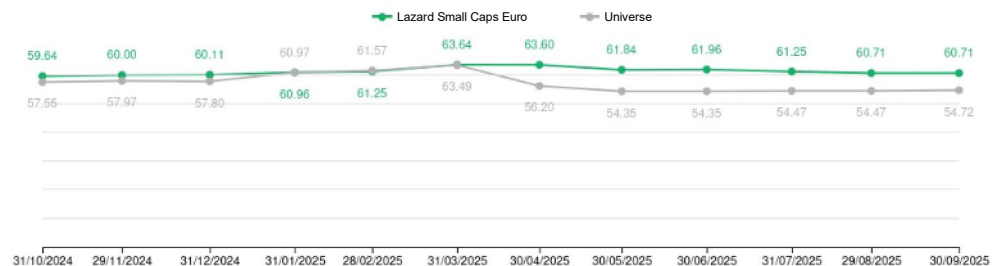
Each E, S and G pillar is rated from 1 to 5 based on a minimum of five relevant key indicators per dimension.

These internal ESG ratings are built into the valuation models through the Beta used to define the weighted average cost of capital 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.

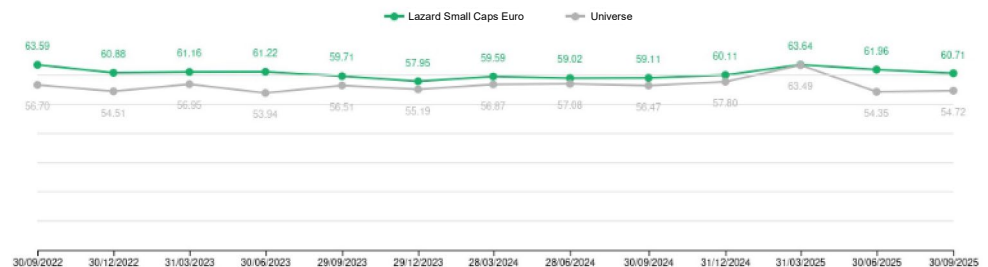
Evolution of the ESG score



The portfolio's reference ESG universe is:

The Eurozone equity universe provided by our ESG partners, with market capitalisations of between €100 million and €2 billion.

● ...and compared to previous periods?



● **What were the objectives of the sustainable investments that the financial product was designed to achieve, and how did the sustainable investments made contribute to them?**

The definition of sustainable investment within the meaning of SFDR is based on the selection of indicators that show a substantial contribution to one or more environmental or social objectives, it being understood that these investments must not cause significant harm to any of these objectives and that the companies in which the investments are made apply good governance practices.

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:

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

Substantial contribution is measured by applying indicator thresholds.

Other criteria may be used for some small cap companies depending on the available data.

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	0.00%
GHG intensity	Included in the lowest 20% of the sector	6,72%
Renewable energy consumption	Included in the bottom 20% of the reference universe	--
Energy intensity	Included in the bottom 20% of the reference universe	8,88%
Proportion of used waste reused, recycled or recovered	Included in the bottom 20% of the reference universe	8.94%
Alignment with the European Taxonomy	Greater than or equal to 10%	7,99%
Approval of the trajectory by SBTi	Trajectory and climate targets approved by the Science Based Targets initiative	12,67%
Share of activities with quality certification (e.g. ISO 14001)	See sustainable investment presentation www.lazardfreresgestion.fr	26,22%
% of women in executive management	≤25%	16,45%
Number of hours of training for employees	Included in the top 20% of the reference universe	9,66%
Rate of absenteeism due to illness and workplace accidents	Included in the bottom 20% of the reference universe	16,51%
Gender pay gap	Included in the bottom 20% of the reference universe	13,15%
Commitment to the promotion of social dialogue	See sustainable investment presentation www.lazardfreresgestion.fr	55,16%
Level of involvement in the UN Global Compact	See sustainable investment presentation www.lazardfreresgestion.fr	42,35%

● **How did the sustainable investments that the financial product made in particular 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 of the Regulatory Technical Standards of the SFDR Regulation. In the event of insufficient coverage of the investment universe for certain indicators, substitution criteria may exceptionally be used. 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". www.lazardfreresgestion.fr/FR/ESG-ISR/Notre-approche_147.html#section05.

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

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.

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.

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.



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 impacts (PAI) in terms of sustainability.

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.



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:
From 01/10/2024 to 30/09/2025

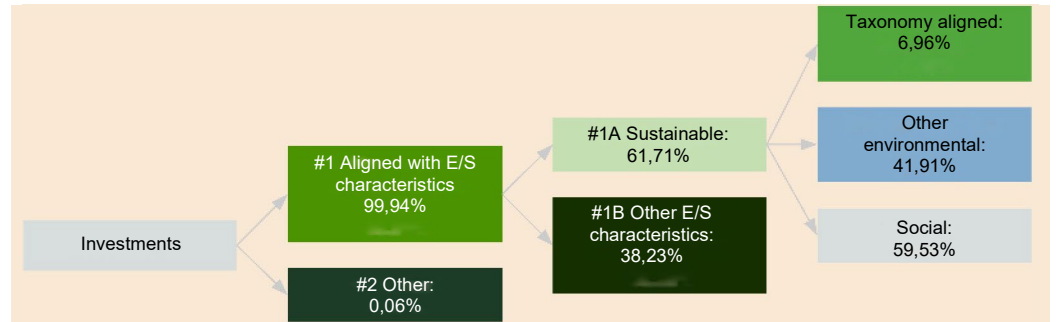
Largest investments		Sector	Percentage of assets	Country
1	ALZCHEM GROUP AG	MANUFACTURING	5,03%	GERMANY
2	74SOFTWARE	INFORMATION AND COMMUNICATION	4,40%	FRANCE
3	KSB SE & CO KGAA-VORZUG	MANUFACTURING	4,37%	GERMANY
4	SOPRA STERIA GROUP SA	INFORMATION AND COMMUNICATION	4,21%	FRANCE
5	VOSSLOH AKTIENGESELLSCHAFT	MANUFACTURING	3,92%	GERMANY
6	F.I.L.A - FABBRICA ITALIANA LAPIS ED AFFINI - SOCIETA PERAZIONI	MANUFACTURING	3,48%	ITALY
7	IPSOS SA	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3,28%	FRANCE
8	CEWE STIFTUNG & CO. KGAA	MANUFACTURING	3,19%	GERMANY
9	DE ' LONGHI S.P.A.	MANUFACTURING	3,07%	ITALY
10	ALTEN SA	INFORMATION AND COMMUNICATION	3,07%	FRANCE
11	VIRBAC SA	MANUFACTURING	2,89%	FRANCE
12	STO SE & CO. KGAA	MANUFACTURING	2,66%	GERMANY
13	WASHTEC AG	UNKNOWN SECTOR	2,61%	GERMANY
14	THERMADOR GROUPE	UNKNOWN SECTOR	2,41%	FRANCE
15	NORMA GROUP SE	MANUFACTURING	2,41%	GERMANY



Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investment?

What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

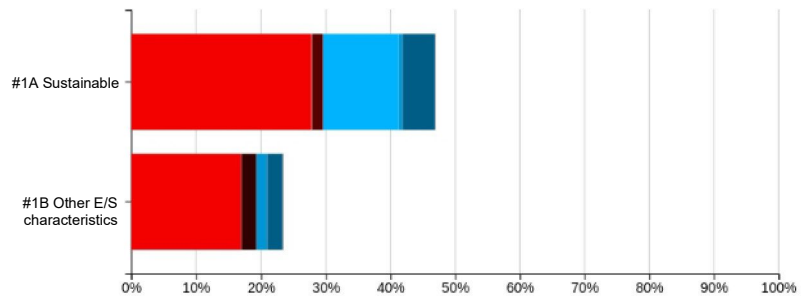
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

An investment is considered sustainable if it complies with at least one of the rules set out above. A company can therefore be considered as environmentally and socially sustainable.

In which economic sectors were the investments made?



	#1A Sustainable	#1B Other E/S characteristics
Manufacturing	27.76%	16.87%
Electricity, gas, steam and air conditioning supply	0.04%	0.06%
Water supply; sewerage, waste management and remediation activities	0.02%	0.02%
Construction	0.05%	
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.71%	
Transportation and storage		2.33%
Information et communication	11.70%	
Financial and insurance activities	0.54%	1.63%
Real estate activities	0.03%	0.02%
Professional, scientific and technical activities	5.01%	2.30%
Public administration		0.11%
UCI	0.06%	0.06%

Exposure to the fossil fuel sector averaged 0,13% over the period.



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

Did the financial product invest in fossil gas and/or nuclear energy activities aligned with the EU Taxonomy?

☒ Yes:

☒ In fossil gas

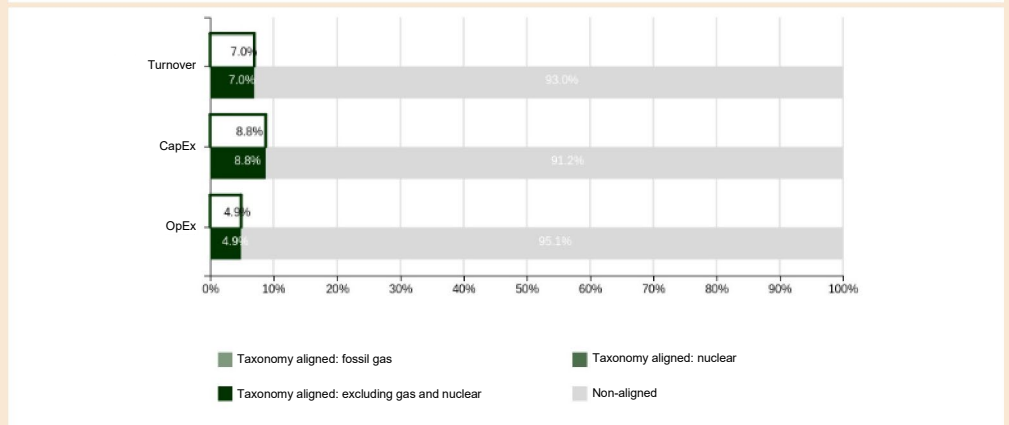
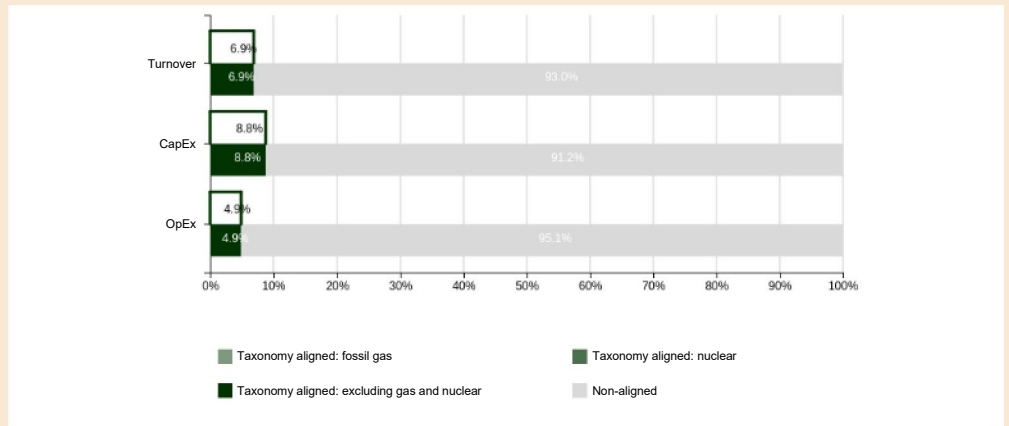
☒ In nuclear energy

☐ No

Taxonomy-aligned activities are expressed as a share of:

- turnover reflects the "greenness" of the companies in which the financial product invests;
- capital expenditure (CapEx) showing the green investments made by the companies in which the financial product invests, e.g. for a transition to a green economy;
- operational expenditure (OpEx) reflecting green operational activities of the companies in which the financial product invests.

The two graphs below show in green the percentage of investments that were 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.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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

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 symbol represents 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 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



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 not aligned with the EU Taxonomy is 41,91%.

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 59,53%.

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



What investments were included under "other", and were they subject to 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 0,06%.



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

The binding elements of the investment strategy used to select the investments to attain the environmental and social objectives promoted by this product are, for directly held securities in the portfolio:

- The non-financial analysis rate

The rate of non-financial analysis of the product's investments in cash securities 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.

Over the past period, the non-financial analysis rate was 99,94% on average.

These rates are expressed as a percentage of total assets excluding bonds and other debt securities issued by public issuers and cash held on an ancillary basis, and solidarity-based assets.

- The portfolio's average ESG rating

The analyst-managers ensure that the weighted average ESG rating of the portfolio is higher than the average of the benchmark universe by using the Ethifinance non-financial rating repository

The portfolio's reference ESG universe is:

The Eurozone equity universe provided by our ESG partners, with market capitalisations of between €100 million and €2 billion.

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).



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

Not applicable

- **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

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

Energy and Climate Law (LEC)

ART 29: ENERGY AND CLIMATE LAW (LEC)

Information concerning Article 29 LEC will be available on the Lazard Frères Gestion website,
https://www.lazardfreresgestion.fr/FR/Fonds_71.html