Sustainability disclosures: Summary

Product name: Lazard Euro Short Duration High Yield SRI

With no sustainable investment objective

The portfolio promotes environmental and social (E/S) characteristics without having a sustainable investment objective. The minimum share of sustainable investments as defined by Article 2(17) of the SFDR is 20% of NAV.

Environmental and social characteristics

In implementing the investment strategy, researching companies, and integrating the ESG process described below, the portfolio promotes environmental characteristics (environmental policy, control of environmental impacts, and management of the environmental impact of products and services) and social ones (respect for human rights, management of human resources, and value chain management).

Investment strategy

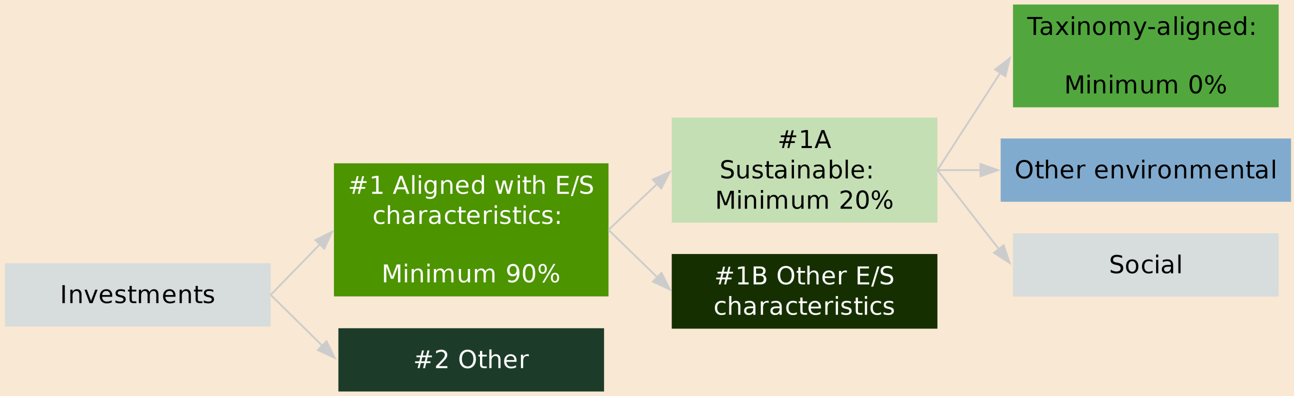
Binding criteria used as part of the investment strategy in achieving environmental and social objectives promoted by this product cover:

- the rate of extra-financial research
- the portfolio's average ESG rating

Moreover, the portfolio management company may undertake exclusions prior to investing, including:
- Norms-based exclusions pertaining to controversial weapons (cluster munitions, antipersonnel mines, and biological and chemical weapons) and violations of the UN Global Compact.
- Sector-based exclusions (tobacco and thermal coal).
- Geographical exclusions (tax havens on the FATF list).

Quality of governance has always been a decisive criterion in our investment policy. As such , the G pillar rating in our in-house ESG grids is slightly overweighted, at 40% of the overall ESG rating of companies, vs. 30% for the E and S pillars.

Investment proportion



#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 sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Verification of environmental or social characteristics

Like all funds managed by LAZARD FRERES GESTION SAS, this portfolio is subjected to a pre-trade review to ensure that it complies with norms-based and sector exclusions laid out in our ESG policy (a first-level control). The Risk and Compliance teams also conduct second-level controls on binding aspects of the investment strategy.

Methodologies

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

<u>In valuing securities with our internal analysis model</u>:

The ESG characteristics of securities held directly are assessed using a proprietary model that is based on an internal ESG analytical framework. Using the data provided by our ESG partners (ESG research firms, external service providers, etc.), company annual reports and direct discussions with company management, the analysts monitoring each security determine an internal ESG score.

This scoring process takes into account both quantitative factors (e.g. energy intensity, staff turnover rate and board independence rate) and qualitative factors (soundness of the environmental policy, employment strategy, director experience and skills, etc.).

Each E, S and G pillar is rated from 1 to 5 on the basis of at least five key indicators that are relevant for each pillar.

These internal ESG ratings are integrated in the valuation models. For equity positions, they are integrated via the Beta used to determine the weighted average cost of capital. For bond positions, they are used to select issuers and to weight them in the portfolio.

Sources and processing of data

To supplement our research, we use various data providers, such as Moody's ESG Solutions, MSCI, Trucost, ISS Ethix, Proxinvest). Our external service providers' offerings are subjected to due diligence on a regular basis to be sure that we are receiving those services that are best suited to our strategies.

Aware of the importance of intra-sector comparisons and of properly understanding the operating, geographical and regulatory environments in which companies do business, we pay special attention in our research methodology to the materiality of ESG risks and opportunities. Data must be looked at differently, depending the company's sector, country or even its individual features, in order to properly reflect each company's ESG performances.

Limitations of methods and data

Aware of the importance of intra-sector comparisons and of proper understanding the operating, geographical and regulatory environments in which companies do business, we pay special attention in our research methodology to the materiality of ESG risks and opportunities. Data must be looked at differently depending the company's sector, country or even its individual features, in order to properly reflect each company's ESG performances. LAZARD FRERES GESTION SAS is aware of the limits entailed by the supply of ESG data in our ESG strategies ESG and in particular their potential influence on the degree to which the environmental and social characteristics promoted by our financial products are achieved.
With this in mind, we practice an ongoing approach to improvement, in particular on Paris Agreement alignment strategies and alignment with long-term biodiversity goals.

Due diligence

More than 90% of the funds' assets, excluding cash, are subject to an ESG evaluation. The in-house analysis is combined with binding management criteria backed by research from external providers. Moreover, the fund is audited annually as part of the independent audit process carried out by a third party, as required by the ISR [SRI] certification.

Engagement policy

As part of its active management philosophy, LAZARD FRERES GESTION SAS urges analyst-managers to conduct dialogue and engagement to promote good ESG practices.
We give precedence to dialogue with companies through an engagement process. This process is part of a broader framework of integrating ESG criteria into Lazard Frères Gestion's strategies

Designated benchmark

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