French open-end investment fund (SICAV)

LAZARD MULTI ASSETS

3 sub-funds

ANNUAL REPORT

At December 31st, 2020

Management company: LAZARD FRERES GESTION SAS

Custodian: Caceis Bank

Statutory auditor: Ernst & Young et Autres

LAZARD FRERES GESTION SAS - 25 Rue de Courcelles - 75008 Paris, France

This report presents the consolidated financial statements of LAZARD MULTI ASSETS
as at December 31st, 2020, as well as the activity of the sub-funds.

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LAZARD PATRIMOINE OPPORTUNITIES SRI

I. CERTIFICATION BY THE STATUTORY AUDITOR

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92037 Paris-La Défense cedex

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Lazard Multi Assets

First financial year from November 13th, 2019 to December 31st, 2020

Statutory auditor's report on the annual financial statements

To the shareholders' meeting of the SICAV Lazard Multi Assets,

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 Multi Assets, as a French open-end investment company (SICAV), for the first financial year from November 13th, 2019 to December 31st, 2020.

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

Basis of our opinion

Audit standards

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

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

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from November 13th, 2019 to the date of issue of our report.

Basis of our opinions

The global crisis linked to the Covid-19 pandemic has given rise to particular conditions for the preparation and audit of the financial statements for this financial year. This crisis and the exceptional measures taken in the context of the state of health emergency have multiple consequences for the SICAVs, their investments and the valuation of the corresponding assets and liabilities. Some of these measures, such as travel restrictions and remote working, have also had an impact on the operational management of the SICAV and on the audit implementation methods.

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

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

Specific verifications

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

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

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

- **Information on corporate governance**

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

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

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

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

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

Statutory auditor's responsibilities concerning the audit of the annual financial 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. 823-10-1 of the French Commercial Code, our audit assignment does not consist in guaranteeing the viability or quality of the management of your SICAV.

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

- It identifies and assess the risks that the annual financial statements may contain material misstatements, whether from fraud or error, defines and implements audit procedures to resolve these risks, and collects all elements deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than that resulting from an error because fraud may involve collusion, falsification, deliberate omissions, false statements or by-passing of internal controls;

- it takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the efficiency of the internal control;

- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management, and the related information provided in the annual financial statements;

- It assesses the appropriateness of the management's application of the accounting policy for a going concern and, based on the information collected, whether there is any significant uncertainty linked to events or circumstances that is likely to call into question the SICAV's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the accounts;

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

Paris-La Défense, April 7th, 2021

The statutory auditor
ERNST & YOUNG et Autres

[Illegible Signature]

David Koestner

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex

Tel.: +33 (0) 1 46 93 60 00
www.ey.com/fr

Lazard Multi Assets

Shareholders' meeting to approve the financial statements for the first financial year from November 13th, 2019 to December 31st, 2020

Statutory auditor's special report on regulated agreements

To the shareholders' meeting of the SICAV Lazard Multi Assets,

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

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

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

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

Agreements submitted for the approval of the shareholders' meeting

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

Agreements already approved by the shareholders' meeting

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

Paris-La Défense, April 7th, 2021

The statutory auditor
ERNST & YOUNG et Autres

[Illegible Signature]

David Koestner

2. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET in euros

ASSETS

	31/12/2020
NET NON-CURRENT ASSETS	
DEPOSITS	
FINANCIAL INSTRUMENTS	**623 141 520,84**
MASTER FUND	
Financial instruments of the company or related undertakings	
Traded on a regulated or equivalent market	
Not traded on a regulated or equivalent market	**179 299 060,63**
Equities and similar securities	179 299 060,63
Traded on a regulated or equivalent market	
Not traded on a regulated or equivalent market	**390 027 684,80**
Bonds and similar securities	390 027 684,80
Traded on a regulated or equivalent market	
Not traded on a regulated or equivalent market	
Debt securities	
Traded on a regulated or equivalent market	
Negotiable debt securities	
Other debt securities	**51 176 815,47**
Not traded on a regulated or equivalent market	51 176 815,47
Undertakings for collective investment	
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU	
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities	
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities	
Other non-European entities	
Temporary securities transactions	
Receivables on securities purchased under repurchase agreements	
Receivables on loaned securities	
Borrowed securities	**2 637 959,94**
Securities sold under repurchase agreements	2 637 959,94
Other temporary transactions	
Forward financial instruments	
Transactions on a regulated or equivalent market	**45 767 685,66**
Other transactions	33 843 179,10
Other financial instruments	11 924 506,56
RECEIVABLES	**12 169 744,60**
Currency forward exchange transactions	12 169 744,60
Other	
FINANCIAL ACCOUNTS	
Cash and cash equivalents	
TOTAL ASSETS	**681 078 951,10**

LIABILITIES AND SHAREHOLDERS' EQUITY

	31/12/2020
SHAREHOLDERS' EQUITY	
Share capital	641 126 193,69
Undistributed net capital gains and losses recognised in previous years (a)	
Retained earnings (a)	0,21
Net capital gains and losses for the year (a, b)	-1 825 804,63
Net income for the year (a,b)	2 877 632,33 **642 178 021,60**
TOTAL SHAREHOLDERS' EQUITY*	
** Sum representing the net assets*	**3 990 465,79**
FINANCIAL INSTRUMENTS	
Sales of financial instruments	
Temporary securities transactions	
Liabilities on securities sold under repurchase agreements	
Liabilities on borrowed securities	3 990 465,79
Other temporary transactions	3 113 111,72
Forward financial instruments	877 354,07
Transactions on a regulated or equivalent market	**34 910 463,71**
Other transactions	33 501 544,10
LIABILITIES	1 408 919,61
Currency forward exchange transactions	
Other	
FINANCIAL ACCOUNTS	
Bank overdrafts	
Borrowings	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**681 078 951,10**

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS in euros

	31/12/2020
HEDGING TRANSACTIONS	
Commitments on regulated or similar markets	
Commitments on OTC markets	
Credit Default Swaps	
ITRAXX EUR XOVER S34	6 300 000,00
ITRAXX EUR XOVER S34	1 000 000,00
Other commitments	
OTHER TRANSACTIONS	
Commitments on regulated or similar markets	
Futures contracts	2 703 600,00
XEUR FGBM BOB 0321 FGBL	91 662 240,00
BUND 10A 0321 XEUR FGBX	26 803 560,00
BUX 0321 CBOT USUL 30A	90 413 448,57
0321 SP 500 MINI 0321	6 740 501,00
MME MSCI EMER 0321 N1	38 691 798,46
TOKYO NIKK 0321 EURO	1 742 166,76 11 928 000,00
STOXX 50 0321	14 637 550,57
EC EURUSD 0321	1 625 830,35
RY EURJPY 0321	
Commitments on OTC markets	
Other commitments	

INCOME STATEMENT in euros

	31/12/2020
Income from financial transactions	
Income from deposits and financial accounts	5 657,34
Income from equities and similar securities	2 422 307,21
Income from bonds and similar securities	7 425 155,64
Income from debt securities	-3 510,14
Income from temporary purchases and sales of securities	38,88
Income from forward financial instruments	
Other financial income	
TOTAL (1)	**9 849 648,93**
Expenses related to financial transactions	
Expenses related to temporary purchases and sales of securities	
Expenses related to forward financial instruments	
Expenses related to financial liabilities	257 716,67
Other financial charges	
TOTAL (2)	**257 716,67**
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	**9 591 932,26**
Other income (3)	
Management fees and depreciation and amortisation (4)	6 997 139,41
Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)	**2 594 792,85**
Income adjustment for the financial year (5)	282 839,48
Interim dividends paid on net income for the financial year (6)	
Net income (1 - 2 + 3 - 4 + 5 - 6)	**2 877 632,33**

3. NOTES TO THE FINANCIAL STATEMENTS

I. Accounting rules and principles

The annual financial statements are presented in accordance with Regulation 2014-01, as amended, of the French accounting standards body (Autorité des Normes Comptables - ANC). The general accounting principles apply:

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

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

Purchases and sales of securities are recorded excluding expenses. The accounting currency of the portfolio is the euro.

Information on the impact of the Covid-19 crisis
The financial statements were prepared by the Board of Directors on the basis of available information in the context of an evolving health crisis related to Covid-19.

The LAZARD MULTI ASSETS (LMA) SICAV is made up of three sub-funds:

- LAZARD PATRIMOINE SRI
- LAZARD PATRIMOINE MODERATO
- LAZARD PATRIMOINE OPPORTUNITIES SRI

The aggregation of the annual financial statements is presented in euros.

In the absence of inter-sub-fund holdings, no restatement has been made for assets and liabilities.

- Accounting rules and principles (*)

- Additional information (*)

(*) Please refer to the information on each sub-fund.

LAZARD PATRIMOINE SRI

LAZARD

FRÈRES GESTION

Key Investor Information

This document provides essential information for investors in this Sub-fund. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this Sub-fund. You are advised to read it so you can make an informed decision about whether to invest.

LAZARD PATRIMOINE SRI

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0012355139 - RC EUR

Investment objective and policy

Investment objective: The fund's investment objective is, by applying Socially Responsible Investment (SRI) type management, to outperform the following composite benchmark index over the recommended minimum investment horizon of 3 years (performance net of management fees): 20% MSCI World All Countries + 80% ICE BofAML Euro Broad Market Index (Bloomberg ticker: EMUO). The index is rebalanced every month and its components are expressed in euro, with dividends or net coupons reinvested.

Investment policy: The Sub-fund's assets are allocated on a discretionary basis and two strategies are used to optimise the portfolio's balance between risk and return: (1) dynamic asset allocation management, involving tactical adjustments over the medium (a few months) and short (a few weeks) term. Medium-term tactical adjustments are based on our fundamental analysis of the global economic cycle, growth in the main geographical regions, and the valuation of the different asset classes and markets. The aim is to generate returns by taking advantage of relative changes in situation in the different asset classes (equities, fixed-income, credit, forex). Short-term tactical adjustments are based on an analysis of the different risks that can impact the behaviour of the assets in the short term. These two tactical management approaches, involving a short- and medium-term horizon, are complementary and decorrelated; (2) the application of a risk reduction mechanism: in order to limit the risk of a decrease in the net asset value, a reduction in the various exposures (equities, credit, sensitivity, currencies) from the level justified by the fundamentals may be required under specific market conditions. Hedging is triggered systematically by the level of risk and is not based on any expectations. This risk level is measured by daily monitoring of the allocation's rolling performance over four time horizons. For each of these horizons, if the historical rolling performance falls below a pre-defined threshold, a signal is obtained to trigger hedging. Each signal triggers a hedge of up to 25% of the target allocation of equity, credit, sensitivity and currency exposures. When all four hedging signals are triggered, these exposures are fully covered. For each horizon, hedging may be discontinued if the historical rolling performance has moved above a pre-defined threshold over a shorter horizon. The hedging strategy, which constitutes neither a guarantee nor protection of capital, does not aim to generate additional performance over the medium term but rather to maintain the portfolio's volatility below an annual level of 7% and consequently the risk of capital losses. Tactical hedging is triggered by the risk level and is not based on any expectations; it aims to protect the portfolio in the event of sharp market declines. Due to this hedging, the unitholders may not benefit from the upside potential related to the underlying assets. If hedging is triggered, the Sub-fund may not resume exposure in the immediate term. The strategic allocation is mainly comprised of bonds and money market instruments, with added impetus through exposure to the equity markets. The portfolio may be invested in investment grade government and corporate bonds or bonds with an equivalent rating based on the management company's analysis, speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis, or in unrated bonds, convertible bonds, equities of companies of any market capitalisation located in the Eurozone and/or internationally, debt securities, money market instruments, and UCIs invested in asset classes, within the following limits: between 0 and a maximum of 100% of the net assets will be invested in debt securities and money market instruments; between 0 and a maximum of 100% of the net assets will be invested in government debt; between 0 and a maximum of 100% of the net assets will be invested in corporate debt; a maximum of 50% of the net assets will be invested in speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis or unrated bonds; a maximum of 25% of net assets will be invested in convertible bonds (excluding CoCos); a maximum of 20% of net assets will be invested in contingent convertible bonds (CoCos); a maximum of 10% of the net assets will be invested in UCIs that in turn invest no more than 10% of their assets in other UCIs; these UCIs may be managed by the management company.

As part of SRI management, equity and bond analysts-managers analyse portfolio companies using non-financial criteria. This study is carried out by taking environmental, social and governance factors into account using a proprietary model shared by the equity and bond teams. The sector analysts-managers thus establish an internal ESG rating of between 1 and 5 (5 being the best rating) for each company based on both a qualitative and quantitative approach. This internal ESG analysis covers at least 90% of the fund's investments. SRI equity selection process: the analyst-manager in charge of the equities compartment ensures that the compartment's ESG rating remains higher than the average of the top 80% ratings in the MSCI World Developed index. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. SRI bond selection process: for corporate issues (including financial issues), the analyst-manager in charge of the bond compartment ensures that an ESG rating higher than the average of the top 80% ratings of a composite index made up of 90% of the ICE ER00 and 10% of the ICE HEAE is maintained over the long term. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. In terms of sovereign and quasi-sovereign issues, the fixed income team mainly favours those that fall within the scope of the SRI assets covered by the label ("green bonds" in particular). The Sub-fund's overall exposure to equity risk will be maintained between 0 and a maximum of 40% of the net assets (including via derivatives). Exposures to emerging equities and small cap equities are limited to 10% respectively. The Sub-fund's overall exposure to interest rate risk is managed within a sensitivity range between -5 and +10. The Sub-fund's exposure to currency risk is limited to 50% of the assets. The Sub-fund may use futures, options, swaps and forward foreign-exchange contracts on regulated, organised and/or OTC markets to hedge and/or expose the portfolio and thus bring the Sub-fund's exposure above the level of its net assets. The portfolio is exposed to equity, interest rate, credit and foreign exchange risk, to a threshold calculated based on the absolute VaR. The VaR corresponds to the potential loss in 99% of cases over a horizon of 20 working days under normal market conditions. The VaR level must remain lower than 15% and leverage must not exceed 400% gross. Up to 100% of the Sub-fund's assets may be invested in securities with embedded derivatives.

Allocation of distributable income:

Allocation of net income: Accumulation

Allocation of net realised capital gains: Accumulation

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

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

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily order reception and daily centralisation of redemption orders before 11.00 p.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

Risk and reward profile

For a lower risk, a potentially lower return | With higher risk, a potentially higher return

\- 1 2 3 **4** 5 6 7 +

Description of the indicator and its main limits:

The diversified exposure to the equity market and interest rate risk explains the Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

Other sizeable risks not taken into account in the indicator:

- Credit risk: Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- Liquidity risk: Risk associated with the low liquidity of the underlying markets, rendering them sensitive to large buy and sell movements.
- Counterparty risk: Risk of failure by a counterparty leading it to default on payment.
- Derivatives risk: The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

LAZARD

FRÈRES GESTION

Key Investor Information

This document provides essential information for investors in this Sub-fund. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this Sub-fund. You are advised to read it so you can make an informed decision about whether to invest.

LAZARD PATRIMOINE SRI

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0012355133 - PC EUR shares

Investment objective and policy

Investment objective: The fund's investment objective is to outperform the following composite benchmark index over the recommended minimum investment horizon of 3 years (performance net of management fees): 20% MSCI World All Countries + 80% ICE BofAML Euro Broad Market Index, by applying a Socially Responsible Investment (SRI) management approach. The index is rebalanced every month and its components are expressed in euro, dividends or net coupons reinvested.

Investment policy: The Sub-fund's assets are allocated on a discretionary basis and two strategies are used to optimise the portfolio's balance between risk and return: (1) dynamic asset allocation management, involving tactical adjustments over the medium (a few months) and short (a few weeks) term. Medium-term tactical adjustments are based on our fundamental analysis of the global economic cycle, growth in the main geographical regions, and the valuation of the different asset classes and markets. The aim is to generate returns by taking advantage of relative changes in situation in the different asset classes (equities, fixed-income, credit, forex). Short-term tactical adjustments are based on an analysis of the different risks that can impact the behaviour of the assets in the short term. These two tactical management approaches, involving a short- and medium-term horizon, are complementary and decorrelated; (2) the application of a risk reduction mechanism: in order to limit the risk of a decrease in the net asset value, a reduction in the various exposures (equities, credit, sensitivity, currencies) from the level justified by the fundamentals may be required under specific market conditions. Hedging is triggered systematically by the level of risk and is not based on any expectations. This risk level is measured by daily monitoring of the allocation's rolling performance over four time horizons. For each of these horizons, if the historical rolling performance falls below a pre-defined threshold, a signal is obtained to trigger hedging. Each signal triggers a hedge of up to 25% of the target allocation of equity, credit, sensitivity and currency exposures. When all four hedging signals are triggered, these exposures are fully covered. For each horizon, hedging may be discontinued if the historical rolling performance has moved above a pre-defined threshold over a shorter horizon. The hedging strategy, which constitutes neither a guarantee nor protection of capital, does not aim to generate additional performance over the medium term but rather to maintain the portfolio's volatility below an annual level of 7% and consequently the risk of capital losses. Tactical hedging is triggered by the risk level and is not based on any expectations; it aims to protect the portfolio in the event of sharp market declines. Due to this hedging, the unitholders may not benefit from the upside potential related to the underlying assets. If hedging is triggered, the Sub-fund may not resume exposure in the immediate term. The strategic allocation is mainly comprised of bonds and money market instruments, with added impetus through exposure to the equity markets. The portfolio may be invested in investment grade government and corporate bonds or bonds with an equivalent rating based on the management company's analysis, speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis, or in unrated bonds, convertible bonds, equities of companies of any market capitalisation located in the Eurozone and/or internationally, debt securities, money market instruments, and UCI invested in asset classes, within the following limits: between 0 and a maximum of 100% of the net assets will be invested in debt securities and money market instruments; between 0 and a maximum of 100% of the net assets will be invested in government debt; between 0 and a maximum of 100% of the net assets will be invested in corporate debt; a maximum of 50% of the net assets will be invested in speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis or unrated bonds; a maximum of 25% of net assets will be invested in convertible bonds (excluding CoCos); a maximum of 20% of net assets will be invested in contingent convertible bonds (CoCos); a maximum of 10% of the net assets will be invested in UCIs that in turn invest no more than 10% of their assets in other UCIs; these UCIs may be managed by the management company.

As part of SRI management, equity and bond analysts-managers analyse portfolio companies using non-financial criteria. This study is carried out by taking environmental, social and governance factors into account using a proprietary model shared by the equity and bond teams. The sector analysts-managers thus establish an internal ESG rating of between 1 and 5 (5 being the best rating) for each company based on both a qualitative and quantitative approach. This internal ESG analysis covers at least 90% of the fund's investments. SRI equity selection process: the analyst-manager in charge of the equities compartment ensures that the compartment's ESG rating remains higher than the average of the top 80% ratings in the MSCI World Developed index. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. SRI bond selection process: for corporate issues (including financial issues), the analyst-manager in charge of the bond compartment ensures that an ESG rating higher than the average of the top 80% ratings of a composite index made up of 90% of the ICE ER00 and 10% of the ICE HEAE is maintained over the long term. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. In terms of sovereign and quasi-sovereign issues, the fixed income team mainly favours those that fall within the scope of the SRI assets covered by the label ("green bonds" in particular). The Sub-fund's overall exposure to equity risk will be maintained between 0 and a maximum of 40% of the net assets (including via derivatives). Exposures to emerging equities and small cap equities are limited to 10% respectively. The Sub-fund's overall exposure to interest rate risk is managed within a sensitivity range between -5 and +10. The Sub-fund's exposure to currency risk is limited to 50% of the assets. The Sub-fund may use futures, options, swaps and forward foreign-exchange contracts on regulated, organised and/or OTC markets to hedge and/or expose the portfolio and thus bring the Sub-fund's exposure above the level of its net assets. The portfolio is exposed to equity, interest rate, credit and foreign exchange risk, to a threshold calculated based on the absolute VaR. The VaR corresponds to the potential loss in 99% of cases over a horizon of 20 working days under normal market conditions. The VaR level must remain lower than 15% and leverage must not exceed 400% gross. Up to 100% of the Sub-fund's assets may be invested in securities with embedded derivatives.

Allocation of distributable income:

Allocation of net income: Accumulation

Allocation of net realised capital gains: Accumulation

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

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

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily order reception and daily centralisation of redemption orders before 11.00 p.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

Risk and reward profile

For a lower risk, a potentially lower return

With higher risk, a potentially higher return

\- 1 2 3 **4** 5 6 7 +

Description of the indicator and its main limits:

The diversified exposure to the equity market and interest rate risk explains the Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

Other sizeable risks not taken into account in the indicator:

- Credit risk: Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- Liquidity risk: Risk associated with the low liquidity of the underlying markets, rendering them sensitive to large buy and sell movements.
- Counterparty risk: Risk of failure by a counterparty leading it to default on payment.
- Derivatives risk: The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

LAZARD

FRÈRES GESTION

Key Investor Information

This document provides essential information for investors in this Sub-fund. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this Sub-fund. You are advised to read it so you can make an informed decision about whether to invest.

LAZARD PATRIMOINE SRI

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0013135472 - PD EUR

Investment objective and policy

Investment objective: The fund's investment objective is to outperform the following composite benchmark index over the recommended minimum investment horizon of 3 years (performance net of management fees): 20% MSCI World All Countries + 80% ICE BofAML Euro Broad Market Index, by applying a Socially Responsible Investment (SRI) management approach. The index is rebalanced every month and its components are expressed in euro, dividends or net coupons reinvested.

Investment policy: The Sub-fund's assets are allocated on a discretionary basis and two strategies are used to optimise the portfolio's balance between risk and return: (1) dynamic asset allocation management, involving tactical adjustments over the medium (a few months) and short (a few weeks) term. Medium-term tactical adjustments are based on our fundamental analysis of the global economic cycle, growth in the main geographical regions, and the valuation of the different asset classes and markets. The aim is to generate returns by taking advantage of relative changes in situation in the different asset classes (equities, fixed-income, credit, forex). Short-term tactical adjustments are based on an analysis of the different risks that can impact the behaviour of the assets in the short term. These two tactical management approaches, involving a short- and medium-term horizon, are complementary and decorrelated; (2) the application of a risk reduction mechanism: in order to limit the risk of a decrease in the net asset value, a reduction in the various exposures (equities, credit, sensitivity, currencies) from the level justified by the fundamentals may be required under specific market conditions. Hedging is triggered systematically by the level of risk and is not based on any expectations. This risk level is measured by daily monitoring of the allocation's rolling performance over four time horizons. For each of these horizons, if the historical rolling performance falls below a pre-defined threshold, a signal is obtained to trigger hedging. Each signal triggers a hedge of up to 25% of the target allocation of equity, credit, sensitivity and currency exposures. When all four hedging signals are triggered, these exposures are fully covered. For each horizon, hedging may be discontinued if the historical rolling performance has moved above a pre-defined threshold over a shorter horizon. The hedging strategy, which constitutes neither a guarantee nor protection of capital, does not aim to generate additional performance over the medium term but rather to maintain the portfolio's volatility below an annual level of 7% and consequently the risk of capital losses. Tactical hedging is triggered by the risk level and is not based on any expectations; it aims to protect the portfolio in the event of sharp market declines. Due to this hedging, the unitholders may not benefit from the upside potential related to the underlying assets. If hedging is triggered, the Sub-fund may not resume exposure in the immediate term. The strategic allocation is mainly comprised of bonds and money market instruments, with added impetus through exposure to the equity markets. The portfolio may be invested in investment grade government and corporate bonds or bonds with an equivalent rating based on the management company's analysis, speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis, or in unrated bonds, convertible bonds, equities of companies of any market capitalisation located in the Eurozone and/or internationally, debt securities, money market instruments, and UCIs invested in asset classes, within the following limits: between 0 and a maximum of 100% of the net assets will be invested in debt securities and money market instruments; between 0 and a maximum of 100% of the net assets will be invested in government debt; between 0 and a maximum of 100% of the net assets will be invested in corporate debt; a maximum of 50% of the net assets will be invested in speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis or unrated bonds; a maximum of 25% of net assets will be invested in convertible bonds (excluding CoCos); a maximum of 20% of net assets will be invested in contingent convertible bonds (CoCos); a maximum of 10% of the net assets will be invested in UCIs that in turn invest no more than 10% of their assets in other UCIs; these UCIs may be managed by the management company.

As part of SRI management, equity and bond analysts-managers analyse portfolio companies using non-financial criteria. This study is carried out by taking environmental, social and governance factors into account using a proprietary model shared by the equity and bond teams. The sector analysts-managers thus establish an internal ESG rating of between 1 and 5 (5 being the best rating) for each company based on both a qualitative and quantitative approach. This internal ESG analysis covers at least 90% of the fund's investments. SRI equity selection process: the analyst-manager in charge of the equities compartment ensures that the compartment's ESG rating remains higher than the average of the top 80% ratings in the MSCI World Developed index. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. SRI bond selection process: for corporate issues (including financial issues), the analyst-manager in charge of the bond compartment ensures that an ESG rating higher than the average of the top 80% ratings of a composite index made up of 90% of the ICE ER00 and 10% of the ICE HEAE is maintained over the long term. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. In terms of sovereign and quasi-sovereign issues, the fixed income team mainly favours those that fall within the scope of the SRI assets covered by the label ("green bonds" in particular). The Sub-fund's overall exposure to equity risk will be maintained between 0 and a maximum of 40% of the net assets (including via derivatives). Exposures to emerging equities and small cap equities are limited to 10% respectively. The Sub-fund's overall exposure to interest rate risk is managed within a sensitivity range between -5 and +10. The Sub-fund's exposure to currency risk is limited to 50% of the assets. The Sub-fund may use futures, options, swaps and forward foreign-exchange contracts on regulated, organised and/or OTC markets to hedge and/or expose the portfolio and thus bring the Sub-fund's exposure above the level of its net assets. The portfolio is exposed to equity, interest rate, credit and foreign exchange risk, to a threshold calculated based on the absolute VaR. The VaR corresponds to the potential loss in 99% of cases over a horizon of 20 working days under normal market conditions. The VaR level must remain lower than 15% and leverage must not exceed 400% gross. Up to 100% of the Sub-fund's assets may be invested in securities with embedded derivatives.

Allocation of distributable income:

Allocation of net income: Distribution

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

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

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

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily order reception and daily centralisation of redemption orders before 11.00 p.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

Risk and reward profile

For a lower risk, a potentially lower return — With higher risk, a potentially higher return

\- 1 2 3 **4** 5 6 7 +

Description of the indicator and its main limits:

The diversified exposure to the equity market and interest rate risk explains the Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

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- Credit risk: Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
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- Counterparty risk: Risk of failure by a counterparty leading it to default on payment.
- Derivatives risk: The use of such financial instruments may increase the risk of loss.

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LAZARD

FRÈRES GESTION

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LAZARD PATRIMOINE SRI

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0013477213 - PC EUR shares

Investment objective and policy

Investment objective: The fund's investment objective is, by applying a Socially Responsible Investment (SRI) management approach, to outperform the following composite benchmark index over the recommended minimum investment horizon of 3 years (performance net of management fees): 20% MSCI World All Countries + 80% ICE BofAML Euro Broad Market Index
The index is rebalanced on a monthly basis, its components are expressed in US dollars, hedged against foreign exchange risk with the US dollar as base currency. Net dividends or coupons are reinvested.

Investment policy: The Sub-fund's assets are allocated on a discretionary basis and two strategies are used to optimise the portfolio's balance between risk and return: (1) dynamic asset allocation management, involving tactical adjustments over the medium (a few months) and short (a few weeks) term. Medium-term tactical adjustments are based on our fundamental analysis of the global economic cycle, growth in the main geographical regions, and the valuation of the different asset classes and markets. The aim is to generate returns by taking advantage of relative changes in situation in the different asset classes (equities, fixed-income, credit, forex). Short-term tactical adjustments are based on an analysis of the different risks that can impact the behaviour of the assets in the short term. These two tactical management approaches, involving a short- and medium-term horizon, are complementary and decorrelated; (2) the application of a risk reduction mechanism: in order to limit the risk of a decrease in the net asset value, a reduction in the various exposures (equities, credit, sensitivity, currencies) from the level justified by the fundamentals may be required under specific market conditions. Hedging is triggered systematically by the level of risk and is not based on any expectations. This risk level is measured by daily monitoring of the allocation's rolling performance over four time horizons. For each of these horizons, if the historical rolling performance falls below a pre-defined threshold, a signal is obtained to trigger hedging. Each signal triggers a hedge of up to 25% of the target allocation of equity, credit, sensitivity and currency exposures. When all four hedging signals are triggered, these exposures are fully covered. For each horizon, hedging may be discontinued if the historical rolling performance has moved above a pre-defined threshold over a shorter horizon. The hedging strategy, which constitutes neither a guarantee nor protection of capital, does not aim to generate additional performance over the medium term but rather to maintain the portfolio's volatility below an annual level of 7% and consequently the risk of capital losses. Tactical hedging is triggered by the risk level and is not based on any expectations; it aims to protect the portfolio in the event of sharp market declines. Due to this hedging, the unitholders may not benefit from the upside potential related to the underlying assets. If hedging is triggered, the Sub-fund may not resume exposure in the immediate term. The strategic allocation is mainly comprised of bonds and money market instruments, with added impetus through exposure to the equity markets. The portfolio may be invested in investment grade government and corporate bonds or bonds with an equivalent rating based on the management company's analysis, speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis, or in unrated bonds, convertible bonds, equities of companies of any market capitalisation located in the Eurozone and/or internationally, debt securities, money market instruments, and UCIs invested in asset classes, within the following limits: between 0 and a maximum of 100% of the net assets will be invested in debt securities and money market instruments; between 0 and a maximum of 100% of the net assets will be invested in government debt; between 0 and a maximum of 100% of the net assets will be invested in corporate debt; a maximum of 50% of the net assets will be invested in speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis or unrated bonds; a maximum of 25% of net assets will be invested in convertible bonds (excluding CoCos); a maximum of 20% of net assets will be invested in contingent convertible bonds (CoCos); a maximum of 10% of the net assets will be invested in UCIs that in turn invest no more than 10% of their assets in other UCIs; these UCIs may be managed by the management company.
As part of SRI management, equity and bond analysts-managers analyse portfolio companies using non-financial criteria. This study is carried out by taking environmental, social and governance factors into account using a proprietary model shared by the equity and bond teams. The sector analysts-managers thus establish an internal ESG rating of between 1 and 5 (5 being the best rating) for each company based on both a qualitative and quantitative approach. This internal ESG analysis covers at least 90% of the fund's investments. SRI equity selection process: the analyst-manager in charge of the equities compartment ensures that the compartment's ESG rating remains higher than the average of the top 80% ratings in the MSCI World Developed index. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. SRI bond selection process: for corporate issues (including financial issues), the analyst-manager in charge of the bond compartment ensures that an ESG rating higher than the average of the top 80% ratings of a composite index made up of 90% of the ICE ER00 and 10% of the ICE HEAE is maintained over the long term. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. In terms of sovereign and quasi-sovereign issues, the fixed income team mainly favours those that fall within the scope of the SRI assets covered by the label ("green bonds" in particular). The Sub-fund's overall exposure to equity risk will be maintained between 0 and a maximum of 40% of the net assets (including via derivatives). Exposures to emerging equities and small cap equities are limited to 10% respectively. The Sub-fund's overall exposure to interest rate risk is managed within a sensitivity range between -5 and +10. The Sub-fund's exposure to currency risk is limited to 50% of the assets. The Sub-fund may use futures, options, swaps and forward foreign-exchange contracts on regulated, organised and/or OTC markets to hedge and/or expose the portfolio and thus bring the Sub-fund's exposure above the level of its net assets. The portfolio is exposed to equity, interest rate, credit and foreign exchange risk, to a threshold calculated based on the absolute VaR. The VaR corresponds to the potential loss in 99% of cases over a horizon of 20 working days under normal market conditions. The VaR level must remain lower than 15% and leverage must not exceed 400% gross. Up to 100% of the Sub-fund's assets may be invested in securities with embedded derivatives.

Allocation of distributable income:
Allocation of net income: Accumulation
Allocation of net realised capital gains: Accumulation
Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.
Right of redemption: Orders are executed in accordance with the table below:

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
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Risk and reward profile

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The diversified exposure to the equity market and interest rate risk explains the Fund's classification in this category.
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- Counterparty risk: Risk of failure by a counterparty leading it to default on payment.
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4. CHANGES AFFECTING THE UCI

CHANGES WHICH TOOK PLACE DURING THE PERIOD OR ARE STILL TO TAKE PLACE

On January 20th, 2020, the Board of Directors of **LAZARD MULTI ASSETS** (SICAV with sub-funds) decided, in agreement with Lazard Frères Gestion SAS, the sub-fund's delegated financial manager, to change the exposure to foreign exchange risk from 50% to 70% of the assets.

- **Effective date: 07/02/2020**

On June 26th, 2020, the Board of Directors of the **LAZARD MULTI ASSETS** SICAV (SICAV with sub-funds) decided the following:

- SRI labelling of the Lazard Patrimoine and Lazard Patrimoine Opportunities sub-funds: The change of name of the two sub-funds to LAZARD PATRIMOINE SRI and LAZARD PATRIMOINE OPPORTUNITIES SRI.
- The conversion of PC USD shares (not hedged against foreign exchange risk) into PC H- USD shares hedged against foreign exchange risk.

- **Effective date: 10/08/2020**

Corporate governance (CSR) section

I. List of appointments

Directors' names	Number of offices held	List of offices and functions
Matthieu Grouès *Managing Director of Lazard Frères Gestion SAS*	2	Chairman and Chief Executive Officer of Lazard Alpha Allocation Chairman of the Board of Directors of Lazard Multi Assets *(SICAV with sub-funds)*
Guilaine Perche *Vice President of Lazard Frères Gestion SAS*	3	Chief Executive Officer of Lazard Multi Assets *(SICAV with sub-funds)* Member of the Boards of Directors of the SICAVs: . Norden Family . Lazard Convertible Global
Santillane Coquebert de Neuville *Senior Vice President of Lazard Frères Gestion SAS*	1	Director of Lazard Multi Assets *(SICAV with sub-funds)*
Isabelle Lascoux *Associate of Lazard Frères Gestion*	3	Member of the Boards of Directors of the SICAVs: . Lazard Patrimoine Croissance . Gamica . Lazard Multi Assets (*SICAV with sub-funds)*
Colin Faivre *Vice President of Lazard Frères Gestion SAS*	3	Deputy CEO and Director of the SICAV Lazard Alpha Allocation Member of the Boards of Directors of the SICAVs: . Lazard Convertible Global . Lazard Multi Assets (*SICAV with sub-funds)*
Stéphanie Fournel *Associate of Lazard Frères Gestion SAS*	2	Member of the Boards of Directors of the SICAVs: . Lazard Financial Debt . Lazard Multi Assets (SICAV with sub-funds)

II. Agreements covered by Article L.225-37-4 para.2 of the French Commercial Code (Code de commerce)

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 December 31st, 2020.

III. 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 L225-37-4 para.3 of the French Commercial Code was granted or was ongoing during the financial year ended December 31st, 2020.

IV. Method of operation of the general management

The Board of Directors did not decide to separate the functions of Chairman from that of Chief Executive Officer, and will therefore be headed up by the Chairman and Chief Executive Officer.

5. MANAGEMENT REPORT

PERFORMANCE

The UCI's performance over the period was as follows: +3,10%.

Performance of PC shares: 3,10% PD: 3,10% RC: 2,50%.

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

The benchmark's performance over the period was as follows: +4,85%.

ECONOMIC ENVIRONMENT

Economy

2020 was an extraordinary year. The Covid-19 pandemic triggered a sharp economic downturn in the first half of the year, with governments adopting drastic measures to slow the spread of the virus and ease the pressure on health systems. The improvement in the health situation then led to a gradual lifting of restrictions from mid-February in China and from April in the United States and Europe, driving a strong rebound in global activity in the third quarter. That said, activity levels remained below pre-pandemic levels. The pace of the recovery slowed in the fourth quarter, especially in Europe where lockdown measures were reintroduced. Encouraging news on vaccines, however, pointed to a way out of the crisis. Against this backdrop, central banks and governments implemented support measures on an unprecedented scale. These measures helped limit the impact of the crisis on the financial situation of the private sector, at the cost of a significant increase in budget deficits.

In the United States, GDP fell by 9,0% year-on-year in Q2 2020. The unemployment rate rose from 3,6% to 6,7% with a peak of 14,8% in April. Inflation over one year slowed from +2,3% to +1,4% in headline terms and from +2,3% to +1,6% excluding food and energy. The Federal Reserve announced a raft of support measures: a cumulative cut in its key rate of 150 basis points to 0%-0,25%, a programme of unlimited purchases of Treasury bills and mortgage-backed securities, and a programme of loans to businesses and local authorities. In September, Jerome Powell said that the Fed would tolerate inflation in excess of 2% to compensate for periods of lower inflation. The US Congress adopted two massive fiscal stimulus packages: a first package of 10,7% of GDP in March and a second package of 4,3% of GDP in December. Democratic candidate Joe Biden won the presidential election. The Democrats retained their majority in the House of Representatives and took control of the Senate.

In the Eurozone, GDP declined by -4,3% year-on-year in Q3 2020. By country, it fell by 4,0% in Germany, by 3,9% in France, by 5,0% in Italy and by 9,0% in Spain. The unemployment rate rose from 7,4% to 8,3% with a peak of 8,7% in February. Inflation over one year slowed from +1,3% to -0,3% in headline terms and from +1,3% to +0,2% excluding food and energy. In March, the ECB announced a €120bn increase in its asset purchase programme (APP) and a new €750bn pandemic emergency purchase programme (PEPP). The PEPP was increased by €600bn in June and by €500bn in December, bringing the total envelope to €1850 bn. The terms of the targeted longer-term refinancing operations (TLTRO), offering funding at negative interest rates, were adjusted. In July, EU countries reached an agreement on a European recovery plan of €750 billion, equivalent to 5,4% of GDP.

In China, GDP grew by +4,9% year-on-year in Q3 2020. In November, industrial production rose by 7,0% year-on-year, investment by 9,7% and retail sales by 6,1% in volume. The unemployment rate was stable at 5,2% with a peak of 6,2% in February. Inflation over one year slowed from +4,5% to +0,2% in headline terms, due mainly to a slowdown in pork prices, and from +1,4% to +0,4% excluding food and energy. The Chinese central bank notably cut its key interest rate by 30 basis points to 2,95% and reduced the reserve requirement ratio by 50 basis points for banks to 12,50% for large banks and 10,50% for small and medium-sized banks. The government announced support measures amounting to 4,7% of GDP.

Markets

Equity markets had started 2020 rather well, driven by the easing of US-China trade tensions and the first signs of an economic recovery. They collapsed from the end of February, when the coronavirus outbreak in China spread to the rest of the world. The movement was extremely drastic and very rapid, with the Euro Stoxx losing almost 40% in just one month.

After plummeting in the first quarter, equity markets rebounded strongly in the second quarter, thanks to the lifting of restrictive measures in Europe and the United States, the recovery of global activity and the strengthening of monetary and fiscal support measures. At the end of June, the equity markets had recouped their losses to a large extent.

With hopes of further support measures and progress on the vaccine front, the catch-up continued at the beginning of the third quarter. It was interrupted by a correction in September on the back of a sharp decline in US technology stocks and fears about further lockdowns in Europe, amid political uncertainty in the United States.

Equity markets then went on to post exceptional performances in the fourth quarter, with good news on vaccines, the approval of a new fiscal stimulus package in the United States and the Brexit deal trumping the reintroduction of lockdown measures in Europe.

All in all, the MSCI World All Country index in dollars gained 14,3% over 12 months. That said, this masks significant differences between markets. The S&P 500 in dollars rose by 16,3% over one year, while the Euro Stoxx in euros fell by 1,6%.

In the bond market, government bond yields fell. The US 10-year Treasury rate fell from 1,92% to 0,91%, with an all-time low of 0,51% on 4 August, and the German 10-year yield fell from -0,19% to -0,57%, with an all-time low of -0,86% on 9 March. Peripheral countries' credit spreads relative to Germany tightened sharply in Italy (-48 basis points) and in Greece (-46 basis points), while they remained more or less stable in Spain (-4 basis points) and Portugal (-3 basis points).

In the European credit segment, credit margins widened significantly in the first quarter of 2020 before tightening sharply. According to the ICE Bank of America indices, they rose from 94 basis points to 93 basis points year-on-year for high-quality issuers, with a high of 234 in early April, and from 308 basis points to 355 basis points for high-yield issuers, with a high of 866 in late March.

On the foreign exchange market, the euro appreciated by 8,9% against the dollar, by 3,6% against the yen and by 5,7% against the pound sterling. It depreciated by 0,4% against the Swiss franc. Emerging currencies depreciated on average by 5,8% against the dollar according to the JPMorgan index.

Turning to commodities, the price of a barrel of Brent fell by 23% over the year, from $66 to $51, with a low point of $19 on April 21st.

MANAGEMENT POLICY

Asset allocation

Underpinned by reduced trade uncertainty and signs of stabilisation in global growth, risky assets got off to a good start and peaked around 20th January. The coronavirus epidemic in China then triggered a turnaround over concerns of a major economic impact on Chinese growth and a knock-on effect on global growth. In January, dividends reinvested, the MSCI Emerging Markets Index fell by 4,7% (in dollars), the Topix by 2,1% (in yen) and the Euro Stoxx by 1,7%. The S&P 500 was stable in dollar terms. These concerns supported the BofAML index of Eurozone government bonds (+2,4%) while driving down the German 10-year yield (-25 basis points). Credit held up well. The iBoxx investment grade corporate bond index rose 1,2% while the iBoxx financial subordinated debt and euro liquid high yield indices were up 0,6% and 0,1%, respectively. The euro depreciated by 1,1% against the dollar and by 1,3% against the yen.
We maintained our asset allocation during the month.

After a positive start to the month, equity markets turned around sharply when the coronavirus epidemic started to spread outside China, notably in South Korea and Italy. In February, dividends reinvested, the S&P 500 fell by 8,3%, the MSCI Emerging Markets Index by 5,3% (in dollars for both indices), the Euro Stoxx by 7,9% and the Topix by 10,3% (in yen). The equity correction was accompanied by a fall in German and US government bond yields (-17bp and -36bp, respectively, for the 10-year yields), while Eurozone peripheral spreads and credit spreads widened sharply. The ICE BofAML Eurozone government bond index gained 0,4% while credit fell. The iBoxx investment grade corporate bond index fell 0,4% while the iBoxx financial subordinated debt and euro liquid high yield indices were down 1,0% and 2,0%, respectively. The euro depreciated by 0,7% against the dollar and by 0,9% against the yen.

The rise of Covid-19 cases outside China has raised fears of a global spread of the epidemic and a disruption of global production chains. We reduced our exposure to US and euro equities by 2,4% each (CAC 40 at 6058). At the beginning of the month, we halved the fund's negative sensitivity to US government yields (+1 point, 10-year at 1,49) and raised the sensitivity to German government yields (+2 points, 10-year at -0,49). As the fall in the last week of the month was excessive in our view, we increased our exposure to US and euro equities by 2,4% each (CAC 40 at 5230) on the very last day of the month. On that same day, the first signal of the systematic risk reduction mechanism was triggered, leading us to hedge one quarter of the exposures in place in the portfolio: reduction of positions in US (-2,9%), euro (-1,6%), UK (-0,3%), Japanese (-0,2%) and emerging equities (-0,7%), with the CAC 40 at 5360, reduction of negative sensitivity to US government yields (+0,25 point, US 10-year at -0,60), of the sensitivity to German government yields (-0,5 point, German 10-year at -0,60) and of the dollar exposure (-2,5%).

The spread of the epidemic in Europe, then in the United States and around the world, and the containment measures put in place, led to real panic in the financial markets. The colossal measures announced by governments to support companies and households during the halt in activity even drove yields up over a period of a few days, adding to the rout of equities and corporate bonds that of government bonds. The massive intervention by central banks to buy bonds then enabled bond yields to drop. Equities picked up at the end of the month in response to the scale of the fiscal and monetary measures announced. In March, dividends reinvested, the S&P 500 posted a performance of -12,4% in dollars, the EuroStoxx of -16,9% in euros, the Topix of -6,0% in yen and the MSCI Emerging Markets index of -15,3% in dollars. The euro was stable against the dollar and lost 0,4% against the yen. 10-year government bond yields fluctuated by -48 basis points in the US and by +14 basis points in Germany. All euro-denominated bond indices were down: -3,4% for the BofAML Euro Government Index, -6,9% for the iBoxx investment grade bond index, -9,0% for the subordinated financial bond index and -13,3% for the iBoxx EUR liquid high yield index.

The sharp fall in financial assets led to the systematic risk reduction mechanism being triggered to cover three quarters of the remaining target allocation. The portfolio's residual exposure to equity, currency and credit risks was thus hedged in three stages. The mechanism was triggered when the CAC 40 was at 4708, 3975 and 3880 respectively (on March 9th, March 12th and March 16th). The market rebound in the second half of the month made it possible to restore a quarter of the target allocation on March 27th (CAC 40 at 4339).
In terms of discretionary management decisions, the sharp widening in credit spreads led us to strengthen our positions in subordinated financial credit and high yield by one third on March 10th. On March 12th, after a 30% decline, we felt that the correction in equities was becoming disproportionate compared with the foreseeable impact on company earnings, which should be heavily impacted over one or two quarters before rebounding sharply thereafter. We then strengthened both US and euro zone equities by +1.2% each.

Equity markets rebounded sharply in April, buoyed by signs of activity restarting in China, the prospect of an exit from lockdown in Europe and the United States as the epidemic situation improves, massive monetary and fiscal responses around the world, and the hope of a treatment for COVID-19. These factors relegated the bad economic figures to the background. Dividends reinvested, the S&P 500 rose by 12,8% in dollars, the Euro Stoxx by 6,5% in euros, the Topix by 4,3% in yen and the MSCI Emerging Markets index by 9,2% in dollars. The euro depreciated by 0,7% against the dollar and by 1,0% against the yen. 10-year government bond yields fell by 3 basis points in the United States and by 12 basis points in Germany. Euro-denominated bond indices were up: +0,4% for the BofAML Euro Government Index, +3,7% for the iBoxx investment grade bond index, +5,9% for the subordinated financial bond index and +6,2% for the iBoxx EUR liquid high yield index.

The rebound in risky assets made it possible to remove the hedges put in place during the March decline, i.e. three quarters of the target allocation. Re-exposure was made at CAC 40 levels of 4353, 4547 and 4451 respectively (on April 6th, 14th and 23rd), raising the weight of equities by around 23%.

At the beginning of the month, we trimmed the Lazard Small Caps Euro fund by 1% in favour of large-cap euro equities. Shortly afterwards, judging that the lockdown was likely to end in the coming weeks and that the support and stimulus measures announced or to come in the United States should drive interest rates up, we accentuated the negative sensitivity to US 10-year interest rates (-0,5 points to 0,76). We then reduced US equities by 0,8% in favour of euro equities. Lastly, we reduced our positions in euro and US equities by 0,6% each as part of the month-end index rebalancing (CAC 40 at 4572).

The rebound in global equity markets continued in May, despite renewed US-China tensions. Investors welcomed the lifting of lockdown measures in Europe and the United States, with no upturn in coronavirus cases in the countries that were the first to exit lockdown, the confirmation of the economic recovery in China, and the €750bn stimulus plan presented by the European Commission. Dividends reinvested, the Euro Stoxx rose by +5,2% in euros, the S&P 500 by +4,8% in dollars, the Topix by +6,8% in yen and the MSCI Emerging Markets index by +0,8% in dollars. 10-year government bond yields rose by 14 basis points in Germany and were stable in the United States. The euro appreciated by +1,3% against the dollar and by +2,0% against the yen. Euro-denominated bond indices rose, notably the iBoxx liquid high yield index, up 2,9%. The BofAML Eurozone government bond index and the iBoxx investment grade corporate bond and financial subordinated indices rose between +0,2% and +0,3%.

At the end of the month, we decreased the fund's exposure to euro equities by 0,5% as part of the index rebalancing (CAC 40 at 4695).

Risky assets started the month up sharply, supported by better-than-expected economic figures, the ECB's announcement of increased asset purchases, and the announcement of a recovery plan in Germany. The trend then reversed as new coronavirus cases surged in a number of southern and western US states. Subsequently, the markets fluctuated in line with hopes of economic recovery, a new stimulus package in the United States and fears of a resurgence of the epidemic. All in all, dividends reinvested, the Euro Stoxx rose by +4,9% in euros, the S&P 500 by +2,0% in dollars, and the MSCI Emerging Markets index by +7,4% in dollars. The Topix fell by -0,2% in yen. German and US 10-year government bond yields were broadly stable. The euro appreciated by +1,3% against the dollar and yen. Euro-denominated bond indices were up: +1,0% for the BofAML Euro Government Index, +1,3% for the iBoxx investment grade corporate bond index, +1,2% for the financial subordinated bond index and +1,8% for the high yield bond index.

At the end of the month, we set up a compartment of international equities of developed countries, managed directly and including Japanese and UK equities. Exposure to emerging equities continues to be taken via futures contracts. In the bond compartment, we set up direct high yield management and sold the Candriam Bonds Euro High Yield fund; we also sold Lazard Credit Fi in favour of directly held bonds.

Risky assets performed well in July, underpinned by better-than-expected economic reports, expectations of further support measures and progress in the search for a vaccine against Covid-19. These factors outweighed concerns about the epidemic's spread across the United States and the resurgence of China-US tensions. The equity markets moved in different directions: Dividends reinvested, the S&P 500 rose by 5,6% in dollars and the MSCI Emerging Markets index by 8,9% in dollars. The Euro Stoxx fell by 0,9% in euro and the Topix by 4,0% in yen. The euro appreciated sharply against the dollar (+4,8%) and against the yen (+2,9%). German and US 10-year government bond yields fell while euro bond indices rose: +1,1% for the BofAML Euro Government Index and +1,5% for the iBoxx investment grade corporate bond index, the financial subordinated bond index and the high yield bond index.

At the very end of the month, we took a profit on US equities, in which we reduced our position by 5% (S&P 500 at 3255) to bring their weighting in line with that of the index. In parallel, we increased our positions in euro equities by +0,3% (CAC 40 at 4865).

The equity markets posted excellent performances in August against a backdrop of positive economic surprises, better-than-expected results and progress on the development of a COVID vaccine. Although Congress failed to reach an agreement on the budget, US indices reached record highs, largely driven by technology stocks. The epidemic slowed in the United States, supporting the US market, while the European market was held back by the rebound in new cases and the continued appreciation of the euro (+1.3% against the dollar and yen). Dividends reinvested, the S&P 500 rose by +7,2% in dollars, the Euro Stoxx by +3,5% in euros, the Topix by +8,2% in yen and the MSCI Emerging Markets index by +2,2% in dollars. Good economic figures drove government yields up, driving the BofAML index of euro-denominated government bonds down -0,8%. The iBoxx credit indices rose: the investment grade corporate bond index was up 0,2%, the financial subordinated index 1,0%, and the euro liquid high yield index 1,4%.

As part of the month-end index rebalancing, we trimmed euro equities by 0,2% (CAC at 4947). We adjusted the dollar exposure by -1,2% (parity at 1,1950).

Risky assets corrected in September, hurt by the fall in US technology stocks, fears of further lockdowns in Europe with the reintroduction of restrictive measures, tensions over Brexit and political uncertainty in the United States. Dividends reinvested, the S&P 500 was down -3,8% in dollars, the Euro Stoxx lost 1,8% in euros, and the MSCI Emerging Markets index fell 1,6% in dollars. The Topix was up 1,3% in yen. The BofAML government bond index rose 1,4%, supported by the fall in the German 10-year yield (-0,13%). The iBoxx corporate bond indices gained 0,3% for investment grade bonds and fell by respectively 0,6% and 0,2% for high yield and financial subordinated bonds. The deteriorating health situation in Europe weighed on the euro (-2,1% against the dollar and -2,2% against the yen).

We transferred the interest-rate sensitivity hedge of the German 5-year and 10-year government bonds to the 30-year (levels of -0,68, -0,49 and -0,05, respectively) and the negative sensitivity of the US 10-year to the 30-year (levels of 0,67 and 1,42, respectively) to reduce the negative carry of these positions and in anticipation of a potential steepening of the yield curve following the Fed Chair’s speech announcing tolerance for inflation temporarily exceeding its target.

Developed country equities experienced a further correction in October, amid uncertainty over the increasing lockdown measures in Europe and the US presidential election. Dividends reinvested, the Euro Stoxx lost 5,7%, the S&P 500 in dollars lost 2,7% and the Topix in yen lost 2,8%. Conversely, the MSCI emerging markets index in dollars rose by 2,1%. The fall in the German 10-year interest rate (-10 basis points) supported the ICE BofA government bond index, which rose by +1,4%. The iBoxx corporate bond indices rose by 0,8% for investment grade, by 0,3% for high yield bonds and by 0,2% for financial subordinated bonds. The euro depreciated by -0,6% against the dollar and by -1,4% against the yen.

As part of the month-end index rebalancing, we increased exposure to euro equities by 0,3% (CAC 40 at 4594).

Risky assets recorded an exceptional performance in November, with the good results of Covid-19 vaccines giving hope for a lasting recovery in activity as the epidemic ebbs away. The improved economic outlook took priority over the strengthening of lockdown measures in Europe. Joe Biden’s victory in the US presidential election was also well received. Dividends reinvested, the Euro Stoxx rose by +17,0% in euros, the S&P 500 by +10,9% in dollars, the Topix by +11,1% in yen and the MSCI Emerging Markets index by +9,2% in dollars. Sector rotation was strong and in favour of cyclical stocks. The ICE BofAML government bond index in euro was virtually flat (+0,1%) despite the 6 basis point tightening of the German 10-year yield. The iBoxx credit indices rose by respectively 4,0% and 2,3% for high yield bonds and subordinated financials and by 1,0% for investment grade. The euro appreciated by +2,4% against the dollar and by +2,0% against the yen.

At the beginning of the month, we accentuated the negative sensitivity to the US 30-year Treasury yield (-1 point to 1,66%), while raising the sensitivity to the German 30-year government bond yield (+1 point to -0,21%) in anticipation of a steepening of the US yield curve. As Joe Biden’s victory became clear, we increased our positions in US equities by 2,6% (S&P 500 at 3490) and in euro equities by 2,2% (CAC 40 at 4980). As we considered that the development of a Covid-19 vaccine was the main way back to normal business activity and to re-launch a new phase of economic expansion, Pfizer’s announcement of the first positive results prompted us to further strengthen our positions in US equities by 0,9% (S&P at 3630) and in European equities by 0,6% (CAC at 5300). We reallocated the equity compartment by region, reducing the United States by 1,4% and Europe by 0,9% in favour of Japan, +0,7%, and emerging countries, +1,5%. At the end of the month, we partially hedged the dollar for 3,5% of the assets (EUR/USD at 1,1878). As part of the month-end index rebalancing, we trimmed US equities by 0,9% (S&P at 3622) and euro equities by 0,7% (CAC 500 at 5519).

Despite increased health restrictions in Europe and the emergence of a new, apparently more contagious strain of the coronavirus, equity markets continued to rise in December, driven by the start of the vaccination campaigns, the approval of a new fiscal stimulus plan in the United States and the agreement on Brexit. Dividends reinvested, the Euro Stoxx rose by +2,1% in euros, the S&P 500 by +3,8% in dollars, the Topix by +3,0% in yen and the MSCI Emerging Markets index by +7,4% in dollars. The ICE BofAML government bond index in euro was virtually flat (+0,1%) as was the German 10-year yield. The iBoxx credit indices in euro rose by 0,7% for both high yield bonds and subordinated financials and by 0,2% for investment grade. The euro continued to appreciate against the dollar (+2,4%) and against the yen (+1,0%).

At the beginning of the month, we set up a hedge for around one quarter of high yield bond positions following the significant tightening in spreads since the end of October by purchasing protection for 1,2% of assets (iTraxx Xover at 249). We reduced our exposure to euro equities by -1,1% (CAC 40 at 5571).

Bond compartment

January was marked by a strong rebound in bond markets as US/China trade relations eased and fears of a no-deal Brexit temporarily dissipated.
Central banks are adopting a more accommodating tone following the publication of disappointing economic indicators in recent months, leading to a sharp easing in yields. The German government yield curve flattened during the month, with the 10-year yield down 15bp to 0,15%, the 5-year yield down 1bp to -0,32%, while the 2-year yield rose by 5bp to -0,56%. Eurozone sovereign debts rose across the board. That said, the sharp tightening of the Italian 00-year spread was partly offset at the end of the month by the publication of a disappointing Italian GDP, which rekindled fears about the sustainability of public finances. Against this backdrop, credit appreciated sharply over the month. The spread against government bonds tightened by 11bp to 119bp for senior financial credit, by 10bp to 140bp for IG corporate credit and by 26bp to 238bp for financial subordinated credit (Merrill Lynch indices).
The structure of the bond portfolio changed, with the exposure to government bonds trimmed in favour of corporate bonds. The weight of sovereign bonds, mainly French, fell from 68% to 56% at the end of December in the portion allocated to bonds.

Concerns about global growth, particularly in Europe (weak German GDP and sharp drop in US retail sales) led to a significant easing in sovereign yields. Concerns about the cycle going forward led to an adjustment of the market's expectations concerning the pace of the ECB's monetary tightening, with German yields easing to their lowest point since October 2016.
At the end of the month, positive economic data releases out of the US (consumer confidence, Q4 2018 GDP) and hopes for a successful outcome to the US-China trade negotiations helped reverse the trend in sovereign yields. The German government yield curve flattened during the month, with the 10-year yield up 3bp to 0,18%, the 5-year yield up 4bp to -0,28%, and the 2-year yield up 4bp to -0,52%.

Italy's 2019 GDP growth was subjected to the sharpest revision (+0,2% vs. +1,2% previously), reinforcing fears concerning the implementation of the budget and fuelling a widening in Italian spreads.
With the exception of Italy, peripheral sovereign spreads tightened during the month, particularly for Portugal with the 10-year spread down by 19bp.
Credit appreciated sharply and inflows into the credit asset class were positive over the month. The spread against government bonds tightened by 16bp to 104bp for senior financial credit, by 14bp to 128bp for IG corporate credit and by 20bp to 218bp for financial subordinated credit (Merrill Lynch indices).
The structure of the bond portfolio was kept virtually unchanged against a backdrop of slight pressure on benchmark rates and of credit appreciation. We prefer credit to sovereign issuers.

Fears of an economic slowdown led to a sharp easing in yields, amplified by disappointing figures in Europe and the United States (German manufacturing PMI and US jobs). Sovereign yields reached record levels, with Bund posting a negative return of -0.07%, its lowest level since October 2016. Furthermore, neither the Fed nor the ECB have scheduled any interest rate hikes in 2019. Mario Draghi announced the launch of a new series of targeted long-term loans for Eurozone banks (TLTRO III) from September 2019.

Finally, positive developments in the US-China trade talks, inflows into the credit market and a dip in the primary market contributed to reducing credit risk premiums. Senior and hybrid corporate bonds outperformed over the month.
The spread against government bonds tightened by 4bp to 102bp for senior financial credit, by 8bp to 120bp for IG corporate credit and widened slightly by 2bp to 220bp for financial subordinated credit (Merrill Lynch indices).
Peripheral spreads presented a mixed picture, with the Spanish and Portuguese 10-year yields widening by 9bp and 3bp, respectively, while the Italian spread remained stable over the month. S&P upgraded Portugal's rating from BBB- to BBB.
The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply easing yields and credit appreciation. We prefer credit to sovereign issuers.

April was marked by tension on sovereign rates linked to better economic figures out of Europe (services PMI) and China. Despite disappointing PMI manufacturing indices in Germany, the Bund's yield rose by 8bp over the month, returning to positive territory. In addition, S&P's affirmation of Italy's BBB rating and the victory of the ruling Socialist party in Spain's election enabled the markets to end the month on a positive note.

On the credit side, continued inflows are helping reduce risk premiums. Bank surveys on corporate credit conditions remained positive, reassuring investors. Turning to financials, the merger between Deutsche Bank and Commerzbank finally fell through, the two institutions considering the merger too risky with regard to the potential benefits. Unicredit and ING are among the players that showed interest in Commerzbank in the past. The first earnings releases were in line with expectations in most cases, rather above expectations for wealth management activities (UBS, Credit Suisse) and below expectations for Nordic banks (Nordea, Danske Bank) due to the additional costs associated with combating money laundering and the still fierce competition.
The spread against government bonds tightened by 12bp to 93bp for senior financial credit, by 16bp to 105bp for IG corporate credit and by 28bp to 195bp for financial subordinated credit (Merrill Lynch indices).
The structure of the bond portfolio was kept virtually unchanged against a backdrop of slight pressure on benchmark rates and of credit appreciation. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

May saw a dramatic return to risk aversion as a result of the trade war. Fuelled by disappointing data from the US and China, the fears surrounding the global cycle prompted a reduction in sovereign bond yields. The 10-year German yield fell to an historic low of -0,20%. This sentiment was reinforced by another downward revision of the European Commission's growth forecasts and by disappointing activity indicators. In Italy, the European Commission's new deficit forecasts saw another shift in the country's interest rates.
Against this background, credit spreads widened during the month. As such, the different credit segments produced negative performances, with risky assets underperforming.
There was a great deal of activity in the primary market. In corporate debt, Carrefour, Adecco, Coca Cola, Rentokil, Philipps, Tennet, Becton Dickinson, Gecina, Telenor and Total issued senior and, in some cases, multi-tranche debt. Enel and Vodafone refinanced their hybrid debt. In the financial sector, there were no particular surprises from the earnings of banks and insurance companies. Asset quality continued to improve in all the peripheral countries. RBS was upgraded one notch by S&P, Banco BPM was also upgraded by Moody's while Barclays had its outlook raised to positive by Moody's. The spread against government bonds widened by 17bp for senior financial debt to 111bp, by 19bp for IG corporate credit to 125bp and by 29bp for subordinated financial debt to 226bp (Merrill Lynch indices).
The structure of the bond portfolio has remained virtually unchanged amid a background of credit depreciation and benchmark rates falling significantly. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

June was marked by a broad decrease in government debt, with the German 10-year yield reaching a record -0,33%. Disappointing macroeconomic data favoured a more accommodative stance by the central banks.
Finally, a more conciliatory stance by the European Commission and the downward revision by the Italian government of its budget deficit, enabled a sharp compression in spreads.
Against this backdrop, spreads tightened significantly over the month, all sectors and sub-funds included. The different credit sub-funds recorded positive performances, with high beta assets sharply outperforming the other sub-funds.
The spread against government bonds tightened by 14bp to 97bp for senior financial credit, by 14bp to 111bp for IG corporate credit and by 38bp to 188bp for financial subordinated credit (Merrill Lynch indices).

The primary market was extremely active with volumes surging to €89bn in what was the busiest month of the year. Activity was concentrated around the Investment Grade market which accounted for 91% of volumes (automotive, health, media and banks).
The structure of the bond portfolio remained virtually unchanged while there was a strong easing of benchmark rates and an appreciation of credit. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

After some signs of bullishness up to July 12th, fuelled in particular by positive announcements on French and Italian GDP, followed by better than expected inflation figures, European sovereign yields resumed their downward movement. Core yields even hit all-time lows on July 31st, with the German 10-year yield falling to -0,44%, while spreads on peripheral bonds tightened further against Bund, with the exception of Spain, where the domestic political situation is raising some concerns. Several disappointing announcements (PMI, etc.) reinforced investors' conviction that the ECB would accentuate its accommodating stance. Mario Draghi largely confirmed this on July 25th. At the end of the month, the Fed, as expected, made its first rate cut (-25bp) since the 2009 financial crisis, although its stance was less accommodating than the ECB's.

Credit spreads extended the June tightening except for those of British issuers, in particular banks, due to Boris Johnson's appointment as Prime Minister, making the prospect of a "hard Brexit" increasingly likely. The spread against government bonds tightened by 10bp to 87bp for senior financial credit, by 13bp to 99bp for IG corporate credit and by 15bp to 173bp for financial subordinated credit (Merrill Lynch indices). The primary market was down compared with June, due mainly to the earnings release season. Conditions remain favourable for IG issuers: investor appetite and the size of order books make it possible to significantly reduce premiums, which are limited or even negative. The IG primary market, excluding covered bonds, totalled €19bn in gross issuance of financial bonds and €16bn of corporate bonds according to Barclays.
The structure of the bond portfolio remained virtually unchanged while there was a strong easing of benchmark rates and an appreciation of credit. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

The month was marked by heightened trade tensions between the United States and China, as well as slightly disappointing economic figures out of the United States. The tense situation in Hong Kong and the increasing possibility of a hard Brexit also contributed to the rise in risk aversion, reflected in a fall in interest rates, which are now at record low levels in Europe, with the German 10-year yield ending the period at -0.70%, down 26bp over the month. In Italy, the reversal of the government coalition, following the decision of the Five Star Movement to unite with the centre-left to block Matteo Salvini, caused a sharp drop in the 10-year BTP yield from 2.10% to less than 1%.
After a three-week lull, the primary market is back on track in a context of historically low interest rates. Activity was mainly focused on Investment Grade. The IG primary market, excluding covered bonds, totalled €16bn in gross issuance of financial bonds and €20bn of corporate bonds according to Barclays.
Against this backdrop, credit underperformed. Credit spreads in relation to government bonds tightened by 7bp to 94bp for senior financial sector bonds, by 9bp to 109bp for IG corporate bonds and remained flat for subordinated financial sector bonds at 177 bp (Merrill Lynch indices).
The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply easing benchmark rates and a slight underperformance by credit. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

September saw renewed optimism over the China-US trade talks, which prompted a general rise in sovereign bond yields. However, the reduction in Italian yields that we witnessed in August on the back of a new coalition government being formed continued. The ECB announced a series of measures: (1) a 0,10% cut in the deposit rate, taking it to -0,50%; (2) the introduction of a tiering mechanism aimed at mitigating the effect of the first measure on banks' income; (3) a new round of QE of €20bn per month, with no pre-determined time limit. In America, the Fed cut its rates by 25 bps because of uncertainties partly surrounding the trade talks.

There were contrasting fortunes for different types of credit in September, with senior credit fairly stable while corporate hybrid debt and, to a lesser extent, financial subordinated bonds delivered outperformance. The spread against government bonds was stable for senior financial credit at 95bp, widened slightly by 1bp to 111bp for IG corporate credit and narrowed by 1bp to 178bp for financial subordinated credit and by 7bp to 206bp for corporate hybrid debt (Merrill Lynch indices).

The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply rising benchmark rates and a slight outperformance by credit. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

October was marked by several events. The partial agreement reached between China and the United States and the postponement of Brexit to January 31st, 2020 led to a sharp rise in sovereign rates. After a third 25bp cut in its key rate, the Fed announced that it intended to adopt a wait-and-see stance. Macroeconomic figures remained mixed, with still no signs of improvement for the manufacturing sector but conversely very good job reports.

Against this backdrop, risk premiums tightened across all bond classes except for High Yield. Corporate results for the third quarter continued to present a mixed picture and management rhetoric was far more cautious. Given the rise in interest rates, only the riskiest assets (financial subordinated and hybrid corporate bonds) posted positive performances in October. Credit spreads in relation to government bonds tightened by 10bp to 86bp for senior financial bonds, by 10bp to 98bp for senior corporate bonds, by 15bp to 165 bp for subordinated financial bonds and by 10bp to 196bp for IG corporate hybrid bonds (ICE BofAML indices).

According to Barclays, the primary market excluding covered bonds remained active, with total gross issuance of €24bn of financial bonds and €34bn of corporate bonds.
The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply rising benchmark rates and a slight outperformance by credit. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

On the whole, sentiment improved in November as economic indicators stopped deteriorating and optimism picked up on the China-US theme. Against this backdrop, yields in the United States and Germany rose by 9bp to 1,78% and by 5bp to -0,36%, respectively.

In credit, spreads continued to tighten. That said, given the pressure on interest rates, only the riskiest assets (subordinated financials and corporate hybrids) posted positive performances. The margin against government bonds widened by 1bp for senior financial credit to 87bp and remained stable for senior corporate credit at 98bp while it tightened by 4bp for subordinated financials and IG corporate hybrids to 161bp and 192bp, respectively (ICE BofAML indices).

There was a great deal of activity in the primary market. The attractiveness of US issuers increased in November and Green formats and hybrids continued to rise (Orsted, Citycon). The primary market, excluding covered bonds, totalled €28bn in gross issuance of financial bonds and €37bn of corporate bonds according to Barclays.
The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply rising benchmark rates and a slight outperformance by credit. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

Contrary to the end of 2018, the horizon brightened considerably in December: the prospect of the rapid signing of the phase 1 agreement between the United States and China, the Chinese central bank's decision to cut its reserve requirement ratio again, thereby stimulating activity and pausing the trade war, as well as the Conservatives' landslide victory in the UK significantly reducing the risk of a hard Brexit in the short term.

There were no surprises in December concerning the central banks: both the Fed and the ECB are expected to maintain their accommodative biases by monitoring future growth and inflation indicators. The ECB lowered the capital requirements of UniCredit and Deutsche Bank, a measure justified by the improved asset quality and risk profile of both institutions. S&P also confirmed Deutsche Bank's BBB+ rating with a stable outlook. Andrea Enria, the Chair of the European Central Bank's Supervisory Board, confirmed that Pillar 2 could be partly filled with AT1 and Tier 2 subordinated debt, but probably not before 2022. Finally, all British banks successfully passed their BoE stress test. Moody's is maintaining the European life insurance sector on stable outlook but downgraded the outlook for European banks to negative (in actual fact, stable for most countries with the exception of the United Kingdom and Germany, downgraded to negative).

Against this backdrop, the German government bond yield curve steepened during the month, with the 10-year yield up 17bp to -0,18%, the 5-year yield up 11bp to -0,47%, and the 2-year yield up 2bp to -0,62%.
Credit appreciated strongly during the month. The margin against government bonds tightened by 8bp for senior financial credit to 81bp, by 9bp for senior corporate credit to 89bp, by 18bp for subordinated financials to 146bp and by 23bp for IG corporate hybrids to 172bp (ICE BofAML indices).

The primary market was calm over the month, as expected. According to Barclays, the primary market excluding covered bonds saw total gross issuance of €5bn of financial bonds and €7bn of corporate bonds. The primary market posted record volumes for corporate issuers in 2019 with gross issuance of €345bn.

The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply rising benchmark rates and an outperformance by credit. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

<u>Equity compartment:</u>

In the first part of the financial year, the equity compartment of Lazard Patrimoine was composed of a euro equity compartment and a US equity compartment replicating Lazard Apolline Large Caps Euro and Lazard Actions Américaines, respectively. Since June 23rd, 2020, these two compartments have been transformed into an international equity compartment that was initially composed of around 70% US stocks, 20% European stocks and 10% Japanese stocks.

In the second half of the financial year (from 23/06/2020 to 31/12/2020), Lazard Patrimoine's international equities compartment posted a performance of +10,16%. There was a strong positive contribution from industrials and financials and, to a lesser extent, from the consumer services sector. Among the top contributors were Walt Disney (+43,8% in euros), Parker Hannifin (+39,9%), Honeywell International (+37,2%), Morgan Stanley (+34,3%), LVMH (+32,2%) and Texas Instruments (+21,6%). Conversely, the compartment's gains were held back by bad performances in the healthcare and energy sectors. The worst contributors were Sanofi (-15,5%), Cisco (-8,4%), SAP (-14,6%), Chevron (-11,6%), Roche (-12,1% in the portfolio) and Takeda Pharmaceutical (-9%).

Over the period, we invested in Astrazeneca in the pharmaceutical industry, Unilever in consumer goods and EssilorLuxottica in the manufacture and distribution of eyeglasses and ophthalmic lenses. On the other hand, we sold our positions in Nestlé in consumer goods and Roche in the pharmaceutical industry.

Past performance is no guarantee of future results.

Main changes in the portfolio during the year

Securities	**Changes ("accounting currency")**	
	Purchases	**Sales**
FRANCE GOVERNMANT BOND OAT 1.75% 25-06-39	39 868 730,15	15 714 128,22
FRANCE GOVERNMANT BOND OAT ZCP 25-03-23	25 446 250,00	25 325 830,00
LAZARD CAPI PVC EUR	8 728 530,33	22 627 911,92
FRENCH REP 1.0% 25-11-25	9 839 707,38	20 399 814,09
FRAN GOVE BON 1.5% 25-05-31	14 050 240,99	14 045 222,46
FRANCE GOVERNMENT BOND OAT 0.7% 25-07-30	13 603 382,25	13 896 188,37
CANDRIAM BONDS EURO HIGH YIELD R EUR ACC	13 035 765,86	13 332 857,64
ITALY BUONI POLIENNALI DEL TESORO 3.0% 01-08-29	12 866 354,00	12 846 536,20
LAZARD SMALL CAPS EURO I	20 518 530,43	5 192 092,41
LAZARD EURO CORP HIGH YIELD PC EUR	10 486 967,11	14 345 461,08

6. REGULATORY INFORMATION

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

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

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

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

- **Exposure through efficient management techniques:**
  - o Securities lending:
  - o Securities borrowing:
  - o Repurchase agreements:
  - o Reverse repurchase agreements:
- **Underlying exposure through derivative financial instruments: 275 251 583,89**
  - o Currency forwards: 28 625 237,99
  - o Futures: 240 326 345,90
  - o Options:
  - o Swap: 6 300 000,00

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

Efficient portfolio management techniques	Derivative financial instruments (*)
	CACEIS BANK, LUXEMBOURG BRANCH

(*) Excluding listed derivatives

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

Instrument types	Amount in the currency of the portfolio
Efficient portfolio management techniques	
. Term deposits	
. Equities	
. Bonds	
. UCITS	
. Cash (**)	160 000,00
Total	**160 000,00**
Derivative financial instruments	
. Term deposits	
. Equities	
. Bonds	
. UCITS	
. Cash	
Total	

(**) The Cash account also includes liquidities 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

- **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 sustainable economic performance.

The long-term performance of investments is not limited to the sole consideration of 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 extra-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 a sovereign asset.

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

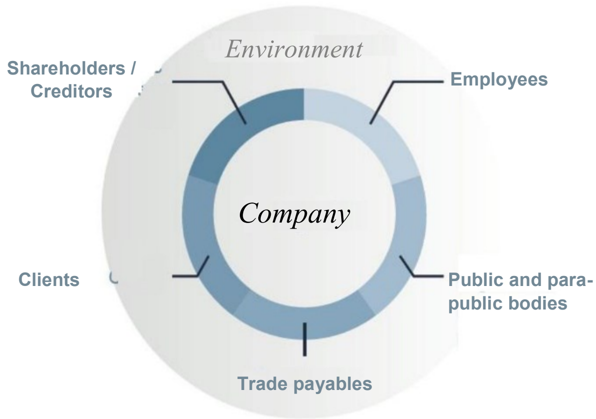
- **CARBON LAW (ARTICLE 173 REPORT)**

General procedure for incorporating ESG criteria

Lazard Frères Gestion aims to offer its clients conviction-based management with a long-term investment perspective. Our investment process is characterised by active management based on stock-picking that aims to optimise the risk/return ratio, particularly by taking into account environmental, social and governance (ESG) parameters.

We have always attached paramount importance to governance as the cornerstone of a credible financial and extra-financial strategy. Above all, we invest in companies that we want to support over the long term, with clear development models, effective control bodies and quality management with which we establish a strong relationship of trust over the course of our meetings.

Lazard Frères Gestion is convinced that companies that have integrated ESG issues into their strategy offer an additional guarantee of long-term performance. They are better able to take their stakeholders into account, which is essential for companies' value creation and long-term competitiveness. We traditionally consider five stakeholders:



It was with the aim of assessing the degree of integration of ESG challenges by companies and respect for stakeholders that non-financial analysis naturally enriched our financial analysis.

ESG analysis takes into account the parameters that we believe are essential to the company's solidity, stability and financial sustainability. It enables us to identify major ESG issues, detect potentially damaging risks for the company and its investors, but also future opportunities.

It is therefore important to select companies that integrate the following non-financial issues into their development model:

E

ENVIRONMENTAL ISSUES

Any company wishing to ensure its economic sustainability must protect the natural capital by constantly seeking to limit and/or optimise the environmental and climate impacts of its activities, products and services.

A company's environmental analysis consists of an analysis of its activities, products and services likely to have a significant impact (positive or negative) on the environment.

S

SOCIAL ISSUES

"Human capital" is one of the two driving forces of a company, along with financial capital. Valuing, caring for and developing this human capital throughout the value chain must be part of a company's strategy.

Monitoring and analysing multiple indicators makes it possible to understand the company's social policy and to identify potential risks.

G GOVERNANCE ISSUES

Satisfactory governance guarantees transparency and a balance of power, with a right to input by the shareholders. Lazard Frères Gestion believes that best practices in terms of corporate governance are a risk control factor that favour the creation of value and contribute to a broad alignment of the interests of all stakeholders. Governance is analysed using numerous quantitative and qualitative indicators to objectively assess its architecture and quality.

Nature of the ESG criteria considered

- Analysis of governance

GOVERNANCE PILLAR

Area	Objectives	Criteria
Board of Directors or Supervisory Board	- Independence of the Board - Competence and diversity of the Board - Limitation on combining mandates	- BD capable of controlling and advising executive officers to ensure a balance of power: ■ Separation of the positions of Chairman and Chief Executive Officer ■ Diversity and complementarity of expertise ■ Significant proportion of independent members allowing for objective and impartial control over management
Quality of management	- Quality of strategy - Business ethics - Effectiveness of audit and control mechanisms	- Formulation and implementation of a strategy consistent with the external environment and internal resources - Prevention of all forms of corruption, from private actors to public officials - Internal control system capable of identifying and assessing the company's risks while ensuring confidence in the independence and objectivity of the external auditors
Quality of financial and non-financial communication	- Confidence in forecasts and transparency - Accessibility of management	- History of profit warnings - Disclosure of quantitative data and qualitative explanations giving a true and fair view of the company's current situation and its prospects on financial and non-financial issues
Executive compensation	- Clear formulation of executive compensation - Transparency of compensation - Consistency with results obtained	- Compensation policy describes its principles, mechanisms and details the various components - Integration of ESG objectives into compensation - Compensation in line with strategy, linked to the company's performance and the trend in the value of the company's share over the long term

■ Social criteria

SOCIAL PILLAR

Area	Objectives	Criteria
Respect for human rights	- Prevention of situations or acts of complicity in human rights violations - Respect for the right to safety and security of persons - Privacy and data protection	- Respect for fundamental human rights, elimination of prohibited forms of labour, in particular child labour and forced or compulsory labour - Protection of employees from potential threats, especially in high-risk regions - Compliance with personal data protection regulations - Respect for and promotion of freedom of association and the right to collective bargaining
Human resources management	- Constructive social dialogue - Training and career management conducive to human development - Promotion of diversity - Health, safety and well-being at work	- Employment strategy: training plan, sector transition, internal development policy and restructuring management - Principle of equal opportunity and treatment of persons - Prevention of workplace accidents and occupational diseases and continuous improvement of health and safety conditions at work
Value chain management	- Responsible supply chain management - Product quality, safety and traceability	- Elimination of prohibited forms of labour at suppliers and subcontractors and sustainable cooperation with suppliers - Protection and respect for customer/consumer rights: prevention of anti-competitive practices, security, contractual protection and customer information

■ Environmental criteria

ENVIRONMENTAL PILLAR

Area	Objectives	Criteria
Environmental policy	- Development of an environmental management strategy and system - Integration of environmental factors adapted to sector issues	- Definition and formulation of guidelines, priorities, appropriate means and precise quantified objectives - Industry regulation integration
Control of environmental impacts	- Responsible water and waste management - Control of risks associated with climate change - Preservation of biodiversity	- Optimisation of water use, limitation of discharges into the environment - Limitation of GHG emissions and anticipation of the physical consequences of climate change - Measurement of impact of activities on biodiversity and reduction of exploitation of sensitive areas, ecosystems, plants and organisms
Environmental impact of the product or service	- Environmental innovation - Ecodesign of products or services	- Development of technological innovations and energy efficiency solutions - Reduction of the impact related to the manufacture, use and disposal of products or services, development of the circular economy

Information used to analyse ESG criteria

Lazard Frères Gestion draws on several sources of information when assessing ESG criteria for each company:

- Public sources: CSR reports, NGOs, press
- Direct communication with the companies
- External research: Extra-financial ratings agencies, brokers

ESG analysis methodology and results

- ESG analysis methods

In 2019, an internal ESG analysis process was developed in the form of an internal ESG grid. This table centralises the quantitative and qualitative information that we consider the most relevant in terms of environmental, social and governance matters and allows for a synthetic follow-up of each issuer.

Based on the various data provided by our ESG partners (Vigeo Eiris, Gala Rating, Trucost, Carbon Delta), Bloomberg, the CSR reports of each company, the Vigeo controversy monitoring tool and direct exchanges with the companies, the sector analysts responsible for monitoring each stock establish an internal ESG rating based on both a quantitative and qualitative approach.

Each pillar is rated out of 5 on the basis of around fifteen key indicators per dimension and the company's overall ESG rating summarises the E, S and G scores according to the following weighting: 30% for Environment and Social and 40% for Governance. This last element has always been an essential criterion in our analysis. We believe that, over the long term, good corporate governance guarantees the protection of the interests of minority shareholders, as well as of all other stakeholders in the company. It is also a prerequisite for a credible environmental and social policy and is therefore a decisive criterion in stock selection.

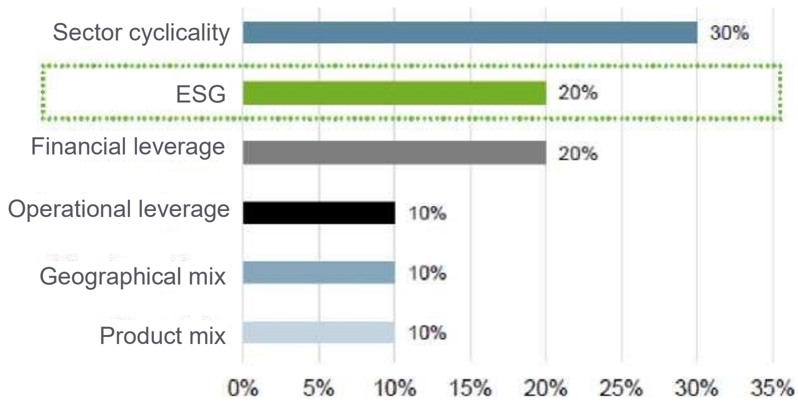
Climatic risk criteria are analysed by factoring energy costs, regulatory risks and potential technological shocks into the investment assumptions of the analysts/managers, regardless of whether this data is linked to climate change.

Lazard Frères Gestion assesses the financial impact by looking at changes in energy prices (electricity, oil, gas, etc.), as well as other external factors, when determining the company's level of activity or margins.

- How ESG criteria are taken into account in the investment decision-making process

Equity compartment:

ESG analysis has a direct influence on our investment decisions and enters quantitatively into the selection process. The financial valuation of each company includes the results of our ESG analysis. The analyst-managers take into account the ESG ratings of the internal analysis grids in the cost of capital of the companies they monitor via the calculation of the Beta. This calculation is carried out internally using a methodology specific to Lazard Frères Gestion and measures all of the company's risks.
Our calculation methodology considers the financial and extra-financial criteria as complementary by using the following weighting:



We discount cash flows based on the weighted average cost of capital (WACC). This cost is the weighted average cost of debt. The cost of equity depends on the company's profile, in particular its specific risks.
These risks include, among others, the cyclical nature of the company's activity, its geographical location and compliance with ESG criteria. When a company underestimates the importance of ESG issues, its risk increases accordingly. In our model, risk reduces the company's financial valuation. Conversely, good management of the ESG dimensions reduces the company's risk and increases its theoretical valuation (fair value). In this way, the degree to which ESG criteria are taken into account has a direct impact on our financial valuation.

Bond compartment:

The bond analyst-managers actively participate in proprietary ESG analysis and complete internal grids for issuers not covered by the equity team.

They ensure that the bond portfolios integrate the most advanced issuers in terms of ESG practices and engagement while checking that the spread remains attractive from a credit risk perspective. The analyst-managers take a non-exclusive approach to ESG and focus on dialogue with corporate leaders to understand the nature of any problems and what is at stake in their resolution or possible improvement. For comparable spreads and similar risk profiles, the analyst-managers favour the companies best rated by our ESG internal analysis universe.

The internal ESG analysis grid is also used to filter the investment universe. Each company has an ESG rating of 1 to 5 (with 5 being the highest score). The bond management team excludes issuers whose internal ratings are considered low (≤ 2/5). Moreover, for Investment Grade issues (including Lazard Credit Fi SRI), the proportion of issuers rated between 2/5 and 3/5 is limited to 30% of the securities in the portfolio.
For High Yield portfolios, which are more exposed to smaller and traditionally lower-rated issuers, this proportion is limited to 50% of the portfolios. ESG analysis, which is integrated into our fundamental analysis, therefore directly impacts investment decisions so as to favour the allocation of investments to issuers with the best ESG practices.

In addition, the ESG specialist performs a complete monthly ESG analysis of the funds and a summary comment is also sent to the fund manager. This comment serves as the basis for engagement actions.
Details on the integration of ESG criteria within the different asset classes are available in our ESG policy, accessible via the following link: http://www.lazardfreresgestion.fr/FR/Lazard-freres-gestion_79.html.

- Monitoring of ESG indicators

- Carbon footprint

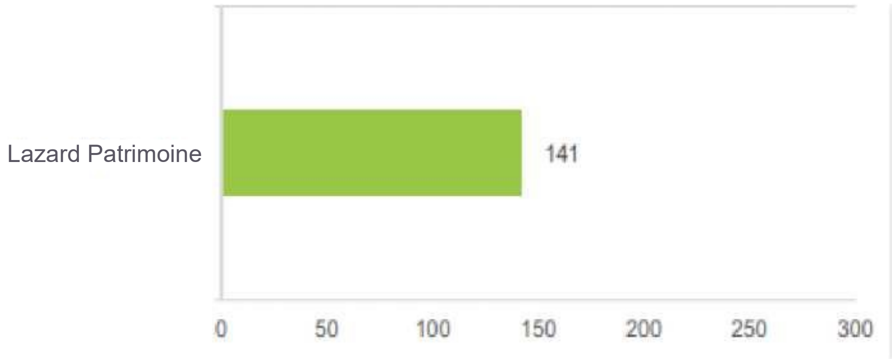
In the context of Article 173 of the law of August 17th, 2015, LAZARD Frères Gestion made a decision to report the carbon footprint

- To obtain the data needed to calculate the carbon footprint, we decided to establish a partnership with TRUCOST in 2016.
- LAZARD Frères Gestion decided to use the carbon intensity indicator, which is expressed in CO2 equivalent tonnes per million euros of revenue.
- The carbon footprint assessment takes into account scope 1 and 2 greenhouse gas (GHG) emissions.
  - Scope 1: All direct emissions linked to the use of fossil fuels to manufacture a product.
  - Scope 2: Direct emissions linked to the production of energy (electricity, etc.) that is consumed by the company.
- Measurement is solely conducted on securities that are directly owned.
- Listed companies on which we have no carbon data are weighted proportionally based on the weight of other companies in the same sector, in order to maintain the initial sector weightings.
- The weight of each stock in the portfolio is re-based to obtain a total weighting equal to 100%.
- The method used to calculate the portfolio's carbon intensity is the weighted average of GHG emissions divided by the revenue of each position. We thus get the following formula:

$$\text{Carbon intensity of a portfolio} = \sum \left[\frac{\text{Emissions (scope 1+2)}}{\text{(Revenue)}} \text{ of each security x weight of each security} \right]$$

- A company's CO2 emission levels are highly dependent on its business area. Some sectors are structurally higher "emitters" than others.
- Lazard Frères Gestion's fundamental stock picking approach entails sector exposure gaps between the funds and their benchmark indices.
- To make up for these sector biases, we have defined a method that involves neutralising these gaps by re-weighting the sectors of the benchmark index so that they correspond to those of the portfolio. The weight of each stock is maintained within each sector of the benchmark index.

Emissions in millions of euros of revenue (tonnes of CO2 eq./€m of revenue)



Date: 31/12/2020
Fund coverage ratio: 85%

➢ Contribution to energy transition indicator

We apply an energy transition score to measure the company's level of engagement in the energy transition of their business model.
Each issuer in the portfolio is assessed based on the efficiency of the measures taken to reduce their GHG emissions, change their energy mix and reduce their energy consumption.
Our partner Vigeo Eiris is responsible for applying this score.
For this, specific climate change criteria are analysed as are the main energy transition objectives of the companies and the relevant sectors. The score measures the efforts made by the companies to reduce their carbon footprint and contribute to the international target to prevent global warming from rising above 2°C.
The portfolio's contribution to the energy transition is measured

Energy Transition Score of a portfolio
=' 'Energy Transition score of each security x *weight of each security'*

It is based on the scoring scale set out below:

Energy Transition Strategy Scale

Categories	Low	Underway	Convincing	Advanced
Score	0-29	30-49	50-59	60-100

Energy Transition Score		
LAZARD PATRIMOINE	**Convincing**	**54**

Integration of the results of the ESG analysis into the investment process

- Voting at shareholders' meetings

The securities in the portfolio are included in the scope of our voting rights.

During the year, we were unable to vote at one general meeting on France, the voting deadline having passed due to operational reasons.

Ultimately, we voted at 98% of the general meetings of the companies held in the portfolio and 58% of them included at least one dissenting vote.

Our first dissenting vote concerned capital increases that could lead to a risk of excessive capital dilution and therefore have a negative impact on minority shareholders.

The second and third dissenting vote concerned the appointment of directors and the remuneration of executives.

- Implementation of an engagement strategy relating to issuers

ESG criteria are monitored through regular meetings with the companies' management. Lazard Frères Gestion only invests in companies with whose management it has established a strong relationship of trust, and therefore holds regular meetings with or pays regular onsite visits to all of these companies.

These exchanges provide an opportunity to identify and share best practices, particularly with regard to governance, human rights, social, societal and environmental issues.

We encourage companies to take these issues into account by formulating concrete areas for improvement. In this way, we encourage them to adopt best practices and to be more transparent about the resources put in place and the results obtained.

In addition, the Fixed Income team dialogues with issuers, mainly by email, regarding their ESG rating, as communicated by our ESG rating providers. Priority is given to "low" ESG ratings in bond portfolios.

Lazard Frères Gestion publishes a report covering the various initiatives undertaken and their outcome. This document is available at the following address:
http://www.lazardfreresgestion.fr/FR/Notre-approche-ESG-ISR-Actionnariat_116.html

- **USE OF FINANCIAL L 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 calculation method used is the absolute VaR.
Maximum level of VaR per month: 10,69%.
Minimum level of VaR per month: 2,20%.
Average level of VaR per month: 7,27%.

- **INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE (FOR DISTRIBUTING UCIs)**

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%.

- **REMUNERATION**

The fixed and variable remuneration paid during the financial year ended on December 31st, 2020 by the management company to its personnel, in proportion to their investment in the management of the AIFs, excluding the management of the UCITS and discretionary mandates, can be obtained on request by post from the UCI legal department of Lazard Frères Gestion, and are included in the company's annual report. The total variable remuneration is set by the Lazard Group based on different criteria, including the Lazard Group's financial performance over the past year and taking its results into account. The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components. All risks 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.

Population at 31/12/2020: Fixed-term and permanent contracts at LFG and LFG Belgique (i.e. excluding interns and trainees and excluding LFG Courtage)

headcount at 31/12/2020 LFG - LFG Belgique	Fixed annual remuneration 2020 in €	Variable remuneration for 2020 (cash paid in 2021 and deferred compensation allocated in 2021) in €
179	16 522 853	22 155 596

"Identified employees"

Category	Number of employees	Aggregate fixed and variable remuneration in 2020 (annual salaries and cash and deferred bonuses)
Senior management	3	4 310 982
Other	51	21 362 196
Total	**54**	**25 673 178**

Note: the amounts are stated excluding charges

- **OTHER INFORMATION**

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

LAZARD FRERES GESTION SAS
25, Rue de Courcelles - 75008 Paris, France

www.lazardfreresgestion.fr

7. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31/12/2020 *in* EUR

ASSETS

	31/12/2020
NET NON-CURRENT ASSETS	
DEPOSITS	
FINANCIAL INSTRUMENTS	**518 882 716,24**
Equities and similar securities	**122 185 023,78**
Traded on a regulated or equivalent market	122 185 023,78
Not traded on a regulated or equivalent market	
Bonds and similar securities	**357 304 025,34**
Traded on a regulated or equivalent market	357 304 025,34
Not traded on a regulated or equivalent market	
Debt securities	
Traded on a regulated or equivalent market	
Negotiable debt securities	
Other debt securities	
Not traded on a regulated or equivalent market	
Undertakings for collective investment	**37 285 530,66**
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	37 285 530,66
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU	
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities	
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities	
Other non-European entities	
Temporary securities transactions	
Receivables on securities purchased under repurchase agreements	
Receivables on loaned securities	
Borrowed securities	
Securities sold under repurchase agreements	
Other temporary transactions	
Forward financial instruments	**2 108 136,46**
Transactions on a regulated or equivalent market	2 108 136,46
Other transactions	
Other financial instruments	
RECEIVABLES	**38 704 234,79**
Currency forward exchange transactions	28 625 237,99
Other	10 078 996,80
FINANCIAL ACCOUNTS	**6 305 801,05**
Cash and cash equivalents	6 305 801,05
TOTAL ASSETS	**563 892 752,08**

LIABILITIES AND SHAREHOLDERS' EQUITY

	31/12/2020
SHAREHOLDERS' EQUITY	
Share capital	532 697 500,59
Undistributed net capital gains and losses recognised in previous years (a)	
Retained earnings (a)	0,21
Net capital gains and losses for the year (a, b)	-4 573 959,95
Net income for the year (a,b)	2 968 700,71
TOTAL SHAREHOLDERS' EQUITY*	**531 092 241,56**
** Sum representing the net assets*	
FINANCIAL INSTRUMENTS	**3 262 212,51**
Sales of financial instruments	
Temporary securities transactions	
Liabilities on securities sold under repurchase agreements	
Liabilities on borrowed securities	
Other temporary transactions	
Forward financial instruments	3 262 212,51
Transactions on a regulated or equivalent market	2 505 043,93
Other transactions	757 168,58
LIABILITIES	**29 538 298,01**
Currency forward exchange transactions	28 341 544,10
Other	1 196 753,91
FINANCIAL ACCOUNTS	
Bank overdrafts	
Borrowings	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**563 892 752,08**

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS AT 31/12/2020 *in* EUR

	31/12/2020
HEDGING TRANSACTIONS	
Commitments on regulated or similar markets	
Commitments on OTC markets	
Credit Default Swaps	
ITRAXX EUR XOVER S34	6 300 000,00
Other commitments	
OTHER TRANSACTIONS	
Commitments on regulated or similar markets	
Futures contracts	
FGBL BUND 10A 0321	81 892 040,00
XEUR FGBX BUX 0321	22 974 480,00
CBOT USUL 30A 0321	76 799 068,28
SP 500 MINI 0321	5 514 968,74
MME MSCI EMER 0321	27 900 208,41
N1 TOKYO NIKK 0321	1 742 166,76
EURO STOXX 50 0321	10 117 500,00
EC EURUSD 0321	11 760 083,36
RY EURJPY 0321	1 625 830,35
Commitments on OTC markets	
Other commitments	

INCOME STATEMENT AS AT 31/12/2020 *in* EUR

	31/12/2020
Income from financial transactions	
Income from deposits and financial accounts	4 827,71
Income from equities and similar securities	1 602 372,95
Income from bonds and similar securities	6 815 680,21
Income from debt securities	-3 510,14
Income from temporary purchases and sales of securities	
Income from forward financial instruments	
Other financial income	
TOTAL (1)	**8 419 370,73**
Expenses related to financial transactions	
Expenses related to temporary purchases and sales of securities	
Expenses related to forward financial instruments	
Expenses related to financial liabilities	228 900,24
Other financial charges	
TOTAL (2)	**228 900,24**
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	**8 190 470,49**
Other income (3)	
Management fees and depreciation and amortisation (4)	5 499 944,71
Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)	**2 690 525,78**
Income adjustment for the financial year (5)	278 174,93
Interim dividends paid on net income for the financial year (6)	
Net income (1 - 2 + 3 - 4 + 5 - 6)	**2 968 700,71**

NOTES TO THE FINANCIAL STATEMENTS

I. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01, as amended, of the French accounting standards body (*Autorité des Normes Comptables* - ANC).

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 13 months and 18 days.

Information on the impact of the COVID-19 crisis

The financial statements were approved by the Board of Directors on the basis of available information in the context of the evolving Covid-19 crisis.

Asset valuation rules

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

o **Shares and similar securities** are valued on the basis of the last known price on their main market.
If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

o **Fixed-income securities:**
Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN) derived from averages of contributed prices, or on those of direct contributors.
There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

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

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price under the responsibility of the SICAV's management company.
These valuations and the related 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 with a residual maturity of more than three months:**

Negotiable debt securities traded in large volumes are valued at market price. In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic characteristics.

Benchmark rate	
Negotiable debt securities in euros	**Negotiable debt securities in other currencies**
Euribor, OISs and BTFs - 3 - 6 - 9 - 12 months BTANs - 18 months, 2 - 3 - 4 - 5 years	Official key rates in the relevant countries

- **Negotiable debt securities with a residual maturity of three months or less:**

Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.

o **UCIs**:

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

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

o **Temporary purchases and sales of securities:**

Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (overnight EONIA, one- or two-week interbank rates, one- to 12-month EURIBOR) corresponding to the term of the contract.

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

o **Futures and options:**

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

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

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

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

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

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

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

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

Management fees

Management fees are calculated on each valuation day.

The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

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

This amount is then recorded in the SICAV's income statement and paid in full to the management company.

The management company pays the SICAV's operating fees, including for:

financial management;

administration and accounting;

custody services;

other operating fees:

reporting costs;

statutory auditors' fees;

legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

The fees break down as follows, as set out in the regulations:

<table>
<tr><th>Expenses charged to the SICAV</th><th>Basis</th><th colspan="2">Rate</th></tr>
<tr><td>Financial management fees
Administrative fees external to the management company</td><td>Net assets excluding UCIs managed by Lazard Frères Gestion SAS</td><td colspan="2">I units:
0,75% incl. taxes
Maximum rate
D units:
0,75% incl. taxes
Maximum rate
R units:
1,40% incl. taxes
Maximum rate</td></tr>
<tr><td rowspan="2">Turnover commission
(incl. taxes):
(0 to 100% received by the management company and 0 to 100% received by the custodian)</td><td rowspan="2">Maximum charge on each transaction</td><td>Equities, foreign exchange</td><td>0% to 0,20% incl. taxes</td></tr>
<tr><td>Futures and other transactions</td><td>€0 to €450 incl. taxes per contract</td></tr>
<tr><td>Performance fee</td><td>n/a</td><td colspan="2">None</td></tr>
</table>

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 619.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Net income:

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

Capital gains and losses:

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

Allocation of distributable income:

Share(s)	*Allocation of net income*	*Allocation of net realised capital gains or losses*
LAZARD PATRIMOINE SRI PC shares	Accumulation	Accumulation
LAZARD PATRIMOINE SRI PD EUR shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD PATRIMOINE SRI RC shares	Accumulation	Accumulation
LAZARD PATRIMOINE SRI PC H USD shares	Accumulation	Accumulation

2. CHANGE IN NET ASSETS as at 31/12/2020 *in* euros

	31/12/2020
NET ASSETS AT START OF YEAR	
Subscriptions (including subscription fees retained by the Fund)	716 452 352,53
Redemptions (net of redemption fees retained by the Fund)	-219 503 250,59
Realised capital gains on deposits and financial instruments	15 200 289,03
Realised capital losses on deposits and financial instruments	-15 610 258,94
Realised capital gains on forward financial instruments	37 863 371,18
Realised capital losses on forward financial instruments	-40 282 793,67
Transaction charges	-722 622,09
Exchange rate differences	-7 114 865,37
Changes in valuation difference of deposits and financial instruments	42 074 595,51
Valuation difference for financial year N	*42 074 595,51*
Valuation difference for financial year N-1	
Changes in valuation difference of forward financial instruments	44 898,19
Valuation difference for financial year N	*44 898,19*
Valuation difference for financial year N-1	
Distribution of prior year's net capital gains and losses	
Dividends paid in the previous financial year	
Net profit/loss for the financial year prior to income adjustment	2 690 525,78
Interim dividend(s) paid on net capital gains/losses during the financial year	
Interim dividend(s) paid on net income during the financial year	
Other items	
NET ASSETS AT END OF YEAR	**531 092 241,56**

3. ADDITIONAL INFORMATION (*)

• 3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount:	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
Fixed-rate bonds traded on a regulated or similar market	354 084 260,61	66,67
Fixed-rate bonds traded on a regulated or similar market	1 315 114,17	0,25
Convertible bonds traded on a regulated or equivalent market	1 904 650,56	0,36
TOTAL BONDS AND SIMILAR SECURITIES	**357 304 025,34**	**67,28**
DEBT SECURITIES		
TOTAL DEBT SECURITIES		
LIABILITIES AND SHAREHOLDERS' EQUITY		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
Credit	6 300 000,00	1,19
TOTAL HEDGING TRANSACTIONS	**6 300 000,00**	**1,19**
OTHER TRANSACTIONS		
Equities	45 274 843,91	8,52
Currency	13 385 913,71	2,53
Interest rates	181 665 588,28	34,20
TOTAL OTHER TRANSACTIONS	**240 326 345,90**	**45,25**

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
ASSETS								
Deposits								
Bonds and similar securities	354 084 260,61	66,67			3 219 764,73	0,61		
Debt securities								
Temporary securities transactions								
Financial accounts							6 305 801,05	1,19
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions	181 665 588,28	34,21						

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

	< 3 months	%	3 months-1 year	%	1-3 years	%	3-5 years	%	> 5 years	%
ASSETS										
Deposits										
Bonds and similar securities					13 913 286,58	2,62	55 469 821,72	10,44	287 920 917,04	54,21
Debt securities										
Temporary securities transactions										
Financial accounts	6 305 801,05	1,19								
LIABILITIES AND SHAREHOLDERS' EQUITY										
Temporary securities transactions										
Financial accounts										
OFF-BALANCE SHEET										
Hedging transactions										
Other transactions									181 665 588,28	34,21

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

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

	Currency 1 USD		Currency 2 SEK		Currency 3 JPY		Currency N OTHER(S)	
	Amount:	%	Amount:	%	Amount:	%	Amount:	%
ASSETS								
Deposits								
Equities and similar securities	67 185 764,57	12,65	4 621 257,15	0,87	11 985 206,46	2,26	5 008 281,76	0,94
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables	7 494 355,53	1,41	26 999 811,57	5,08	98 398,15	0,02		
Financial accounts	3 872 776,63	0,73	3 456,10		1 213 072,94	0,23	573 455,40	0,11
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions	121 974 328,79	22,97			3 367 997,11	0,63		

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	31/12/2020
RECEIVABLES		
	Forward currency purchases	28 625 237,99
	Subscription receivables	419 060,30
	Margin cash deposits	8 668 310,62
	Coupons and dividends in cash	171 625,88
	Collateral	820 000,00
TOTAL RECEIVABLES		**38 704 234,79**
LIABILITIES		
	Payables on forward currency purchases	28 341 544,10
	Redemptions payable	562 049,87
	Fixed management fees	474 704,04
	Collateral	160 000,00
TOTAL LIABILITIES		**29 538 298,01**
TOTAL LIABILITIES AND RECEIVABLES		**9 165 936,78**

3.6. SHAREHOLDERS' EQUITY

• 3.6.1. Number of securities issued or redeemed

	In equity	In amounts
LAZARD PATRIMOINE SRI PC EUR shares		
Shares subscribed during the financial year	326 171,569	373 396 677,23
Shares redeemed during the financial year	-110 212,349	-127 307 005,41
Net balance of subscriptions/redemptions	215 959,220	246 089 671,82
Number of shares outstanding at the end of the financial year	215 959,220	
LAZARD PATRIMOINE SRI PD EUR shares		
Shares subscribed during the financial year	21 890,567	24 254 139,78
Shares redeemed during the financial year	-3 184,000	-3 570 120,47
Net balance of subscriptions/redemptions	18 706,567	20 684 019,31
Number of shares outstanding at the end of the financial year	18 706,567	
LAZARD PATRIMOINE SRI RC EUR shares		
Shares subscribed during the financial year	2 802 561,620	315 968 496,14
Shares redeemed during the financial year	-775 720,986	-87 448 839,83
Net balance of subscriptions/redemptions	2 026 840,634	228 519 656,31
Number of shares outstanding at the end of the financial year	2 026 840,634	
LAZARD PATRIMOINE SRI PC H USD shares		
Shares subscribed during the financial year	3 110,779	2 833 039,38
Shares redeemed during the financial year	-1 297,025	-1 177 284,88
Net balance of subscriptions/redemptions	1 813,754	1 655 754,50
Number of shares outstanding at the end of the financial year	1 813,754	

• 3.6.2. Subscription and/or redemption fees

	In amounts
LAZARD PATRIMOINE SRI PC EUR shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD PATRIMOINE SRI PD EUR shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD PATRIMOINE SRI RC EUR shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD PATRIMOINE SRI PC H USD shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

3.7. MANAGEMENT FEES

	31/12/2020
LAZARD PATRIMOINE SRI PC EUR shares	
Guarantee fees	
Fixed management fees	1 978 906,29
Percentage of fixed management fees	0,71
Variable management fees	
Retrocessions of management fees	
LAZARD PATRIMOINE SRI PD EUR shares	
Guarantee fees	
Fixed management fees	157 870,48
Percentage of fixed management fees	0,70
Variable management fees	
Retrocessions of management fees	
LAZARD PATRIMOINE SRI RC EUR shares	
Guarantee fees	
Fixed management fees	3 359 209,90
Percentage of fixed management fees	1,31
Variable management fees	
Retrocessions of management fees	
LAZARD PATRIMOINE SRI PC H USD shares	
Guarantee fees	
Fixed management fees	3 958,04
Percentage of fixed management fees	0,73
Variable management fees	
Retrocessions of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the Fund:

None.

3.8.2. Other commitments received and/or given:

None.

3.9. OTHER INFORMATION

• 3.9.1. Present value of financial instruments held temporarily

	31/12/2020
Securities held under repurchase agreements Borrowed securities	

• 3.9.2. Present value of financial instruments representing security deposits

	31/12/2020
Financial instruments given as security and retained under their original classification Financial instruments received as security and not recorded on the balance sheet	

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

	ISIN code	Name	31/12/2020
Equities			
Bonds			
Negotiable debt securities			
UCIs			37 285 530,66
	FR0010505313	LAZARD EURO CORP HIGH YIELD PC EUR	6 844 532,49
	FR0010941815	LAZARD EURO MONEY MARKET "B"	100 323,56
	FR0000174310	LAZARD SMALL CAPS EURO I	15 722 718,88
	FR0012044519	LAZARD WORLD INNOVATION IC	14 617 955,73
Forward financial instruments			
Total group securities			**37 285 530,66**

3.10. TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME

• Table of allocation of distributable income pertaining to net income

	31/12/2020
Remaining amounts to be allocated	
Retained earnings	0,21
Net income	2 968 700,71
Total	**2 968 700,92**

	31/12/2020
LAZARD PATRIMOINE SRI PC EUR shares	
Appropriation	
Distribution	
Balance brought forward for the financial year	
Accumulation	2 355 083,44
Total	**2 355 083,44**

	31/12/2020
LAZARD PATRIMOINE SRI PD EUR shares	
Appropriation	
Distribution	179 208,91
Balance brought forward for the financial year	176,65
Accumulation	
Total	**179 385,56**
Information on shares with dividend rights	
Number of shares	18 706,567
Dividend per share	9,58
Tax credit	
Tax credit attached to the distribution of earnings	9 022,51

	31/12/2020
LAZARD PATRIMOINE SRI RC EUR shares	
Appropriation	
Distribution	
Balance brought forward for the financial year	
Accumulation	417 373,47
Total	**417 373,47**

	31/12/2020
LAZARD PATRIMOINE SRI PC H shares	
Appropriation	
Distribution	
Balance brought forward for the financial year	
Accumulation	16 858,45
Total	**16 858,45**

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

	31/12/2020
Remaining amounts to be allocated	
Undistributed net capital gains and losses recognised in previous years	
Net capital gains and losses for the year	-4 573 959,95
Interim dividends paid on net capital gains/losses for the financial year	
Total	**-4 573 959,95**

	31/12/2020
LAZARD PATRIMOINE SRI PC EUR shares	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	-2 214 664,71
Total	**-2 214 664,71**

	31/12/2020
LAZARD PATRIMOINE SRI PD EUR shares	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	-195 152,76
Total	**-195 152,76**
Information on shares with dividend rights	
Number of shares	18 706,567
Dividend per share	

	31/12/2020
LAZARD PATRIMOINE SRI RC EUR shares	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	-2 110 310,33
Total	**-2 110 310,33**

	31/12/2020
LAZARD PATRIMOINE SRI PC H USD shares	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	-53 832,15
Total	**-53 832,15**

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

	31/12/2020
Global net assets in euros	**531 092 241,56**
LAZARD PATRIMOINE SRI PC EUR shares	
Net assets	264 041 210,57
Number of shares	215 959,220
Net asset value per share	1 222,64
Accumulation per share pertaining to net capital gains/losses	-10,25
Accumulation per share pertaining to income	10,90
LAZARD PATRIMOINE SRI PD EUR shares	
Net assets	22 277 673,96
Number of shares	18 706,567
Net asset value per share	1 190,90
Accumulation per share pertaining to net capital gains/losses	
Undistributed net capital gains/losses per unit	
Accumulation per share pertaining to net capital gains/losses	-10,43
Distribution of income per share (*)	9,58
Tax credit per share	
Accumulation per share pertaining to income	
LAZARD PATRIMOINE SRI RC EUR shares	
Net assets	243 102 543,47
Number of shares	2 026 840,634
Net asset value per share	119,94
Accumulation per share pertaining to net capital gains/losses	-1,04
Accumulation per share pertaining to income	0,20
LAZARD PATRIMOINE SRI PC H USD shares	
Net assets	2 044 323,93
Number of shares	1 813,754
Net asset value per share	1 127,12
Accumulation per share pertaining to net capital gains/losses	-29,67
Accumulation per share pertaining to income	9,29

* Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS *in* EUR

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Equities and similar securities				
Equities and similar securities traded on a regulated or similar market				
GERMANY				
ALLIANZ SE-REG	EUR	12 245	2 457 571,50	0,46
BMW BAYERISCHE MOTOREN WERKE	EUR	32 150	2 322 194,50	0,44
DEUTSCHE TELEKOM AG	EUR	123 900	1 852 924,50	0,35
SAP SE	EUR	25 080	2 689 077,60	0,51
TOTAL GERMANY			**9 321 768,10**	**1,76**
SPAIN				
BANCO SANTANDER S.A.	EUR	1 005 427	2 551 773,73	0,48
TOTAL SPAIN			**2 551 773,73**	**0,48**
UNITED STATES				
3M CO	USD	14 345	2 049 252,22	0,38
ALPHABET- A	USD	2 245	3 215 787,50	0,61
AMAZON.COM INC	USD	965	2 568 703,73	0,48
BALL CORP	USD	33 860	2 578 623,51	0,48
BANK OF AMERICA CORP	USD	117 335	2 906 643,66	0,55
BECTON DICKINSON	USD	12 280	2 511 300,40	0,47
CHEVRONTEXACO CORP	USD	26 275	1 813 512,93	0,34
CISCO SYSTEMS	USD	50 665	1 853 016,84	0,35
ECOLAB	USD	9 955	1 760 339,83	0,33
ESTEE LAUDER COMPANIES INC -A-	USD	12 515	2 722 706,75	0,52
HOME DEPOT INC COM USD0.05	USD	7 725	1 677 017,29	0,32
HONEYWELL INTL	USD	14 895	2 589 323,28	0,49
INTERCONTINENTAL EXCHANGE GROUP	USD	20 420	1 924 091,21	0,36
MERCK AND	USD	36 150	2 416 795,39	0,46
MICROSOFT CORP	USD	18 420	3 348 433,98	0,63
MONDELEZ INTERNATIONAL INC	USD	36 780	1 757 612,36	0,33
MORGAN STANLEY	USD	50 805	2 845 545,05	0,54
MOTOROLA SOL. WI	USD	20 470	2 845 104,98	0,53
PARKER-HANNIFIN CORP	USD	10 540	2 346 615,50	0,44
RAYTHEON TECHNO	USD	34 525	2 017 802,91	0,38
ROSS STORES	USD	21 235	2 131 396,63	0,40
TEXAS INSTRUMENTS COM	USD	23 065	3 093 995,71	0,58
THE WALT DISNEY	USD	20 765	3 074 825,47	0,58
VISA INC CLASS A	USD	17 285	3 089 982,47	0,58
TOTAL UNITED STATES			**59 138 429,60**	**11,13**
FRANCE				
BNP PARIBAS	EUR	55 825	2 406 336,63	0,46
ESSILORLUXOTTICA	EUR	15 500	1 977 025,00	0,37
LVMH (LOUIS VUITTON - MOET HENNESSY)	EUR	9 615	4 912 303,50	0,93
SANOFI	EUR	39 155	3 081 498,50	0,58
VINCI (EX SGE)	EUR	18 515	1 506 380,40	0,28
TOTAL FRANCE			**13 883 544,03**	**2,62**
IRELAND				
ACCENTURE PLC - CL A	USD	11 585	2 473 227,78	0,47
MEDTRONIC PLC	USD	28 900	2 766 822,77	0,51
TOTAL IRELAND			**5 240 050,55**	**0,98**

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
JAPAN				
ASAHI GROUP HOLDINGS	JPY	62 500	2 099 735,25	0,40
DAIWA HOUSE INDS	JPY	94 400	2 289 654,22	0,43
HITACHI JPY50	JPY	72 300	2 326 526,44	0,44
MURATA MFG CO	JPY	26 000	1 918 219,96	0,36
ORIX CORP	JPY	120 000	1 505 159,89	0,28
TAKEDA CHEM INDS JPY50	JPY	62 100	1 845 910,70	0,35
TOTAL JAPAN			**11 985 206,46**	**2,26**
NETHERLANDS				
ASML HOLDING NV	EUR	10 220	4 062 961,00	0,77
TOTAL NETHERLANDS			**4 062 961,00**	**0,77**
UNITED KINGDOM				
ASTRAZENECA PLC	GBP	35 865	2 934 591,22	0,55
LINDE PLC	USD	13 035	2 807 284,42	0,53
UNILEVER PLC	EUR	71 915	3 564 466,98	0,67
TOTAL UNITED KINGDOM			**9 306 342,62**	**1,75**
SWEDEN				
ALFA LAVAL	SEK	111 025	2 500 368,96	0,47
SWEDBANK AB	SEK	147 875	2 120 888,19	0,40
TOTAL SWEDEN			**4 621 257,15**	**0,87**
SWITZERLAND				
SGS STE GLE SURVEILLANCE NOM	CHF	840	2 073 690,54	0,38
TOTAL SWITZERLAND			**2 073 690,54**	**0,38**
TOTAL Equities and similar securities traded on a regulated or similar market			**122 185 023,78**	**23,00**
TOTAL Equities and similar securities			**122 185 023,78**	**23,00**
Bonds and similar securities				
Bonds and similar securities traded on a regulated or similar market				
GERMANY				
ALLIANZ SE 4.75% PERP EMTN	EUR	3 000 000	3 389 985,00	0,64
CMZB FRANCFORT 0.75% 24-03-26	EUR	500 000	508 775,99	0,09
CMZB FRANCFORT 4.0% 05-12-30	EUR	1 500 000	1 679 800,58	0,31
CMZB FRANCFORT 6.125% PERP	EUR	1 200 000	1 325 766,08	0,25
INFINEON TECHNOLOGIES AG 3.625% PERP	EUR	500 000	551 929,45	0,11
THYSSENKRUPP AG 2.875% 22-02-24	EUR	250 000	259 229,88	0,06
TOTAL GERMANY			**7 715 486,98**	**1,46**
AUSTRIA				
ERSTE GR BK 3.375% PERP EMTN	EUR	2 000 000	1 908 966,04	0,36
ERSTE GR BK 5.125% PERP EMTN	EUR	2 000 000	2 169 790,66	0,41
TOTAL AUSTRIA			**4 078 756,70**	**0,77**
BELGIUM				
AGEAS NV 3.875% PERP	EUR	3 000 000	3 262 735,07	0,61
ANHEUSER INBEV SANV 2.125% 02-12-27	EUR	2 000 000	2 282 878,90	0,43

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
BELFIUS BANK 3.625% PERP	EUR	3 000 000	2 959 039,86	0,55
BELGIUM GOVERNMENT BOND 1.25% 22-04-33	EUR	10 000 000	11 961 456.16	2,26
CCBGBB 1 10/26/24	EUR	500 000	520 465,10	0,10
FORTIS BK TV07-191272 CV	EUR	1 000 000	842 353,97	0,16
KBC GROUPE 4.25% PERP	EUR	2 000 000	2 117 216,70	0,40
KBC GROUPE SA 1.625% 18-09-29	EUR	1 000 000	1 046 277,74	0,20
SOLVAY 1.625% 02-12-22	EUR	400 000	413 111,48	0,07
TOTAL BELGIUM			**25 405 534,98**	**4,78**
DENMARK				
DANSKE BK 2.5% 21-06-29 EMTN	EUR	2 000 000	2 146 903,29	0,40
TOTAL DENMARK			**2 146 903,29**	**0,40**
SPAIN				
BANCO DE SABADELL SA 0.0625% 07- II-25	EUR	I 400 000	1 414 392,38	0,27
BANCO DE SABADELL SA 6.5% PERP	EUR	2 000 000	2 011 326,52	0,37
BANCO NTANDER 1.125% 23-06-27	EUR	2 000 000	2 133 172,19	0,41
BANCO NTANDER 1.375% 05-01-26	EUR	I 200 000	1 273 278,00	0,24
BANCO NTANDER 1.375% 09-02-22	EUR	500 000	515 497,55	0,10
BANCO NTANDER 4.375% PERP	EUR	2 000 000	2 029 615,05	0,38
BANCO NTANDER E3R+0.75% 28-03-23	EUR	400 000	403 492,58	0,07
BANKIA SA 3.75% 15-02-29 EMTN	EUR	2 000 000	2 224 278,36	0,42
BANKINTER 0.625% 06-10-27	EUR	I 000 000	1 022 948,22	0,20
BBVA 2.575% 22-02-29 EMTN	EUR	2 000 000	2 153 795,90	0,4I
BBVA 6.0% PERP	EUR	2 000 000	2 152 773,33	0,40
BBVA 6.0% PERP	EUR	2 600 000	2 913 727,87	0,55
CAIXABANK 5.25% PERP	EUR	2 000 000	2 059 161,67	0,39
CAIXABANK SA 2.75% 14-07-28	EUR	2 000 000	2 120 319,86	0,40
COMUNIDAD MADRID 0.827% 30-07-27	EUR	3 000 000	3 197 992,64	0,60
GRIFOLS 3.2% 01-05-25	EUR	250 000	254 404,72	0,05
IBERCAJA 7.0% PERP	EUR	2 000 000	2 114 859,57	0,40
IBERDROLA FINANZAS SAU 0.875% 16-06-25	EUR	3 000 000	3 140 614,32	0,59
IBESM 1 03/07/24	EUR	200 000	208 698,75	0,04
INSTITUTO DE CREDITO OFICIAL 0.2% 31-01-24	EUR	7 000 000	7 162 315,46	1,35
TELEFONICA EMISIONES SAU 1.069% 05-02-24	EUR	600 000	627 632,74	0,11
TELEFONICA EMISIONES SAU 1.201% 21-08-27	EUR	3 000 000	3 233 355,12	0,61
TOTAL SPAIN			**44 367 652,80**	**8,36**
UNITED STATES				
AT T 0.8% 04-03-30	EUR	1 875 000	1 947 157,06	0,36
AT T 1.6% 19-05-28	EUR	1 125 000	1 240 357,89	0,24
CGG HOLDING US INC 7.875% 01-05-23	EUR	250 000	257 742,24	0,05
FORD MOTOR CREDIT 1.744% 19-07-24	EUR	500 000	502 651,37	0,09
INTL BK FOR RECONS DEVELOP 0.625% 22-11-27	EUR	6 000 000	6 435 260,55	1,21
IQVIA 3.25% 15/03/2025	EUR	400 000	409 282,22	0,08
TOTAL UNITED STATES			**10 792 451,33**	**2,03**
FINLAND				
NOKIA OYJ 3.125% 15-05-28 EMTN	EUR	300 000	336 709,46	0,06
NORDEA BANK AB PUBL 3.5% PERP	EUR	3 000 000	3 202 458,70	0,60
TOTAL FINLAND			**3 539 168,16**	**0,66**

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
FRANCE				
ACCOR 4.375% PERP	EUR	200 000	206 011,15	0,04
ADP 2.125% 02/10/2026	EUR	2 000 000	2 270 499,86	0,42
AGEN FRA 1.375% 17-09-24 EMTN	EUR	7 000 000	7 505 811,85	1,42
AIRBUS GROUP SE 1.625% 07-04-25	EUR	1 500 000	1 614 591,16	0,30
AIR FRANCEKLM 3.75% 12-10-22	EUR	300 000	302 522,36	0,06
AIR LIQ FIN 1.375% 02-04-30	EUR	1 000 000	1 140 452,60	0,22
ALD 0.875% 18-07-22 EMTN	EUR	600 000	611 339,59	0,12
AXA 3.25% 28-05-49 EMTN	EUR	4 000 000	4 765 708,49	0,90
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 1.75% 15-03-29	EUR	1 000 000	1 140 471,78	0,21
BNP PAR 1.0% 27-06-24 EMTN	EUR	200 000	208 212,05	0,04
BNP PAR 1.125% 17-04-29 EMTN	EUR	1 200 000	1 277 083,40	0,25
BNP PAR 2.125% 23-01-27 EMTN	EUR	700 000	78I 994,44	0,15
BNP PAR 2.375% 20-11-30 EMTN	EUR	2 000 000	2 168 696,30	0,40
BNP PAR CARDIF 1.0% 29-11-24	EUR	500 000	514 164,35	0,10
BNP PARIBAS 0.5% 55-07-25 EMTN	EUR	2 200 000	2 240 718,84	0,43
BOUYGUES 1.125% 24/07/2028	EUR	1 600 000	1 747 957,8I	0,33
BPCE 1.0% 01-04-25 EMTN	EUR	1 100 000	1 153 260,72	0,22
BPCE 1.125% 18-01-23 EMTN	EUR	500 000	518 790,20	0,09
BPCE 2.875% 22-04-26 EMTN	EUR	2 000 000	2 311 383,84	0,44
BPCE 4.625% 18/07/2023	EUR	1 000 000	1 138 427,81	0,21
BPCE E3R+1.05% 09-03-22 EMTN	EUR	300 000	303 489,60	0,06
BQ POSTALE 1.0% 16-10-24 EMTN	EUR	1 000 000	1 040 909,18	0,20
CA 1.0% 22-04-26 EMTN	EUR	1 600 000	1 676 981,59	0,31
CA ASSURANCES 4.25% PERP	EUR	2 000 000	2 329 462,08	0,44
CAFP 2 5/8 12/15/27	EUR	2 000 000	2 339 640,55	0,44
CAPGEMINI SE 1.625% 15-04-26	EUR	1 600 000	1 749 788,71	0,33
CASINO GUICHARD PERRACHON 4.498% 07-03-24	EUR	200 000	203 665,56	0,03
CMA CGM 7.5% 15-01-26	EUR	500 000	545 068,33	0,11
CNP ASSURANCES 2.0% 27-07-50	EUR	2 000 000	2 147 993,42	0,40
CNP ASSURANCES 4.75% PERP	EUR	2 000 000	2 333 118,90	0,44
CRED AGRI SA 2.625% 17-03-27	EUR	2 000 000	2 292 337,67	0,44
CREDIT MUTUEL ARKEA 1.25% 11-06-29	EUR	1 000 000	1 072 013,29	0,20
CREDIT MUTUEL ARKEA 3.375% 11-03-31	EUR	1 800 000	2 257 190,51	0,42
DASSAULT SYSTEMES 0.375% 16-09-29	EUR	1 700 000	1 760 078,70	0,33
ELIS EX HOLDELIS 1.0% 03-04-25	EUR	300 000	300 367,21	0,05
ENGIE 2.125% 30-03-32 EMTN	EUR	2 000 000	2 438 438,49	0,46
ENGIE 3.25% PERP	EUR	2 300 000	2 591 846,81	0,49
ESSILORLUXOTTICA 2.375% 09-04-24	EUR	500 000	547 851,78	0,10
FAURECIA 3.125% 15-06-26	EUR	500 000	516 313,06	0,10
FNAC DARTY 2.625% 30-05-26	EUR	300 000	310 977,63	0,06
FRANCE GOVERNMANT BOND OAT 1.75% 25-06-39	EUR	19 000 000	25 297 196,03	4,76
GROUPE DANONE 1.75% PERP EMTN	EUR	600 000	623 704,36	0,11
INDIGO GROUP SAS 2.125% 16-04-25	EUR	200 000	218 876,97	0,04
JCDECAUX 2.625% 24-04-28	EUR	1 600 000	1 781 881,53	0,34
KERFP 2 3/4 04/08/24	EUR	500 000	559 699,08	0,10
KERING 0.75% 13-05-28 EMTN	EUR	1 000 000	1 058 289,86	0,20

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
LIFP 1 04/17/23	EUR	500 000	515 992,74	0,09
LOXAM 6.0% 15/04/2025	EUR	300 000	305 999,50	0,06
MWDP 1 04/20/23	EUR	500 000	514 199,14	0,10
ORANGE 1.625% 07-04-32 EMTN	EUR	600 000	696 266,47	0,14
ORANGE 2.375% PERP	EUR	800 000	859 630,52	0,16
ORANGE 5.25% PERP	EUR	1 000 000	1 188 466,39	0,22
QUATRIM SASU 5.875% 15-01-24	EUR	250 000	262 292,43	0,05
RATP 0.875% 25-05-27 EMTN	EUR	3 000 000	3 239 861,51	0,6I
RENAULT CREDIT INTERNATIONAL BANQUE SA 2.625% 18-02-30	EUR	2 500 000	2 588 973,16	0,49
REXEL 2.75%15-06-26	EUR	300 000	307 632,83	0,06
SANOFI 1.0% 01-04-25 EMTN	EUR	800 000	847 558,90	0,16
SCHNEIDER ELECTRIC SE 1.0% 09-04-27	EUR	400 000	430 741,86	0,08
SG 0.5% 13-00-23 EMTN	EUR	1 000 000	1 017 465,71	0,20
SG 1.125% 21-04-26 EMTN	EUR	4 300 000	4 512 625,87	0,85
SG 1.75% 22-03-29 EMTN	EUR	1 000 000	1 114 066,16	0,21
SG E3R+0.8% 22-05-24 EMTN	EUR	400 000	404 466,43	0,08
SNCF EPIC 0.625% 17-04-30 EMTN	EUR	5 200 000	5 526 369,81	1,04
SOGECAP SA 4.125% 29-12-49	EUR	2 000 000	2 314 661,97	0,43
SOLVAY FINANCE 5.869% PERP	EUR	500 000	590 148,3I	0,11
SPCM 2.625% 01/02/2029	EUR	200 000	206 270,05	0,04
SPIE 2.625% 18/06/2026	EUR	300 000	319 129,64	0,06
STE DES 1.5% 15-01-24 EMTN	EUR	500 000	530 730,08	0,10
SUEZ 1.625% PERP	EUR	1 300 000	1 304 322,32	0,24
TOT 3.875% PERP EMTN	EUR	1 000 000	1 074 405,14	0,21
TOTAL SE 2.0% PERP	EUR	1 750 000	1 829 204,52	0,35
UNIBAIL RODAMCO SE 2.125% PERP	EUR	800 000	757 757,42	0,14
UNIB ROD 1.375% 31-12-26 EMTN	EUR	300 000	318 012,51	0,06
VALE ELE 1.625% 18-03-26 EMTN	EUR	300 000	312 334,36	0,05
VEOLIA ENVIRONNEMENT 0.672% 30-03-22	EUR	300 000	304 447,04	0,05
TOTAL FRANCE			**126 109 312,29**	**23,75**
IRELAND				
AIB GROUP 1.875% 19-11-29 EMTN	EUR	4 000 000	4 078 917,53	0,77
BK IRELAND 2.375% 14-10-29	EUR	2 000 000	2 06I 241,37	0,39
BK IRELAND GROUP 0.75% 08-07-24	EUR	1 500 000	1 530 591,27	0,29
IRELAND GOVERNMENT BOND 1.35% 18-03-31	EUR	5 000 000	5 920 319,98	1,11
TOTAL IRELAND			**13 591 070,15**	**2,56**
ITALY				
ASS GENERALI 2.124% 01-10-30	EUR	I 000 000	1 071 361,41	0,20
ASS GENERALI 3.875% 29-01-29	EUR	2 500 000	3 073 510,04	0,58
ENEL 2.25% PERP	EUR	750 000	788 720,50	0,15
ENEL 2.5% 24-11-78	EUR	1 000 000	1 047 716,71	0,20
ENI 1.25% 8-05-26 EMTN	EUR	3 000 000	3 210 675,62	0,61
ENI 3.375% PERP	EUR	750 000	812 356,59	0,15
IGIM 0 1/4 06/24/25	EUR	3 000 000	3 048 826,85	0,58
INTE 1.0% 19-11-26 EMTN	EUR	2 000 000	2 080 645,34	0,39
INTE 2.125% 26-05-25 EMTN	EUR	2 000 000	2 191 542,19	0,41
INTE 3.75% PERP	EUR	4 000 000	3 884 536,74	0,73

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
MEDIOBANCABCA CREDITO FINANZ 1.125% 23-04-25	EUR	850 000	880 156,61	0,16
MEDIOBANCABCA CREDITO FINANZ 1.625% 07-01-25	EUR	1 500 000	1 609 861,80	0,30
SAIP FIN 3.75% 08-09-23 EMTN	EUR	500 000	538 075,51	0,10
SNAM 0.875% 25-10-26 EMTN	EUR	3 000 000	3 163 248,08	0,59
TELECOM ITALIA 5.25% 10/02/22	EUR	300 000	332 415,32	0,06
TELECOM ITALIA SPA EX OLIVETTI 4.0% 11-04-24	EUR	500 000	556 829,73	0,11
TRASMISSIONE ELETTRICITA RETE NAZIONALE 0.125% 2507-25	EUR	3 000 000	3 042 844,93	0,58
UNICREDIT 1.25% 16-06-26 EMTN	EUR	4 000 000	4 184 908,22	0,79
UNICREDIT 3.875% PERP EMTN	EUR	1 000 000	904 798,05	0,17
UNICREDIT SPA 6.95% 31/10/2022	EUR	500 000	563 188,56	0,10
UNICREDIT SPA 7.5% PERP	EUR	2 000 000	2 336 408,90	0,44
UNIPOL GRUPPO SPA EX UNIPOL SPA CIA 3.25% 23-09-30	EUR	1 200 000	1 279 956,33	0,24
TOTAL ITALY			**40 602 584,03**	**7,64**
LUXEMBOURG				
AGEASFINLUX SA E3M 12/99 CV	EUR	1 500 000	1 062 296,59	0,20
ALTICE FRANCE 8.0% 15-05-27	EUR	500 000	549 825,56	0,10
ARCELOR MITTAL 2.25% 17-01-24	EUR	250 000	266 449,32	0,05
ARD FINANCE SA 5.0% 30-06-27	EUR	250 000	255 903,61	0,05
FIAT FIN 4.75% 15-07-22 EMTN	EUR	500 000	545 584,42	0,10
GESTAMP FUND LUX 3.5% 15-05-23	EUR	300 000	304 167,33	0,06
HANE FINA LUX 3.5% 15-06-24	EUR	300 000	316 859,83	0,06
SOCI EURO DES SAT 4.625% PERP	EUR	600 000	618 498,08	0,12
ZF FINANCE 3.75% 21-09-28 EMTN	EUR	600 000	652 662,25	0,12
TOTAL LUXEMBOURG			**4 572 246,99**	**0,86**
MEXICO				
PETROLEOS MEXICANOS 3.75% 21-02-24	EUR	500 000	524 169,71	0,10
TOTAL MEXICO			**524 169,71**	**0,10**
NETHERLANDS				
ABN AMRO BANK NV 4.75% PERP	EUR	3 000 000	3 261 307,87	0,61
AEGON 5.625% 29/12/49	EUR	3 000 000	3 607 130,96	0,68
ED 2.375% 23-03-23 EMTN	EUR	400 000	430 309,89	0,08
ENEL FINA INT 1.375% 01-06-26	EUR	3 000 000	3 251 871,99	0,62
ENEL FINANCE INTL NV 0.375% 17/06/2027	EUR	3 000 000	3 069 466,03	0,58
GAS NATU FENO 4.125% 30-11-49	EUR	1 000 000	1 062 279,66	0,20
IBERDROLA INTL BV 2.625% PERP	EUR	500 000	540 360,79	0,11
IBERDROLA INTL BV 3.25% PERP	EUR	500 000	563 647,84	0,11
ING GROEP NV 1.0% 20-09-23	EUR	300 000	310 794,45	0,05
ING GROEP NV 1.125% 14-02-25	EUR	500 000	528 797,75	0,10
NATURGY FINANCE BV 1.25% 15-01-26	EUR	2 000 000	2 139 210,68	0,40
NETHERLANDS GOVERNMENT 0.5% 15-01-40	EUR	12 000 000	13 850 020,66	2,61
RABOBK 0.75% 29-08-23	EUR	400 000	411 202,27	0,07
RABOBK 4.625% PERP	EUR	2 000 000	2 189 758,85	0,41
REPSOL INTL FINANCE BV 2.0% 15-12-25	EUR	1 000 000	1 096 795,68	0,21
REPSOL INTL FINANCE BV 4.247% PERP	EUR	750 000	837 786,68	0,16
TELEFONICA EUROPE BV 4.375% PERP	EUR	1 000 000	1 123 199,32	0,21
TEVA PHAR FIN 1.125% 15-10-24	EUR	500 000	466 908,70	0,08
ZF EUROPE FINANCE BV 2.5% 23-10-27	EUR	300 000	304 855,05	0,06

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
ZIGGO BV 4.25% 15-01-27	EUR	250 000	213 616,89	0,04
TOTAL NETHERLANDS			**39 259 322,01**	**7,39**
PORTUGAL				
BCP 3.871% 27-03-30 EMTN	EUR	3 500 000	3 480 958,47	0,65
CAIXA GEN 1.25% 25-11-24 EMTN	EUR	1 500 000	1 544 503,66	0,30
CAIXA GERAL DE DEPOSITOS 10.75% PERP	EUR	2 000 000	2 209 026,11	0,42
ENERGIAS DE PORTUGAL EDP 1.625% 15-04-27	EUR	1 500 000	1 653 731,92	0,31
ENERGIAS DE PORTUGAL EDP 1.7% 20-07-80	EUR	500 000	503 708,12	0,09
NOS SGPS 1.125% 02-05-23	EUR	500 000	514 939,42	0,10
TOTAL PORTUGAL			**9 906 867,70**	**1,87**
UNITED KINGDOM				
AVIS BUDGET FINANCE 4.75% 30-01-26	EUR	250 000	250 591,60	0,04
BARCLAYS 0.625% 14-11-23 EMTN	EUR	1 000 000	1 012 780,41	0,19
BARCLAYS 3.375% 02-04-25 EMTN	EUR	1 800 000	2 033 325,86	0,38
BARCLAYS PLC 2.0% 07-02-28	EUR	1 500 000	1 562 110,08	0,30
HSBC 0.875% 06-09-24	EUR	500 000	519 630,34	0,10
HSBC HOLDINGS PLC 4.75% PERP	EUR	2 000 000	2 234 592,43	0,42
HSBC HOLDINGS PLC 5.25% PERP	EUR	2 000 000	2 124 196,13	0,40
IGLO FOODS BOND 3.25% 15-05-24	EUR	300 000	305 747,75	0,06
INEOS GROUP 5.375% 01-08-24	EUR	300 000	311 312,42	0,06
INTE GAME TEC 4.75% 15-02-23	EUR	250 000	267 051,81	0,05
JAGUAR LAND ROVER 6.875% 15-11-26	EUR	200 000	208 041,72	0,04
LLOYDS BANKING GROUP 1.0% 09-11-23	EUR	1 000 000	1 033 601,64	0,19
LLOYDS BANKING GROUP 3.5% 01-04-26	EUR	2 000 000	2 330 216,85	0,44
NATIONWIDE BUILDING SOCIETY 1.5% 08-03-26	EUR	1 500 000	1 609 165,58	0,30
NGG FINANCE 1.625% 05-12-79	EUR	600 000	611 886,08	0,11
ROYAL BANK OF SCOTLAND GROUP 2.0% 08-03-23	EUR	300 000	312 423,88	0,06
STAN 3.125% 19-11-24 EMTN	EUR	1 000 000	1 106 468,97	0,21
STANDARD CHARTERED 2.5% 09-09-30	EUR	1 300 000	1 404 977,85	0,27
VODAFONE GROUP 3.1% 03-01-79	EUR	700 000	726 925,40	0,14
TOTAL UNITED KINGDOM			**19 965 046,80**	**3,76**
SWEDEN				
AKELIUS RESIDENTIAL PROPERTY AB 3.875% 05-10-78	EUR	300 000	322 040,14	0,06
DOMETIC GROUP AB 3.0% 08-05-26	EUR	500 000	527 662,71	0,10
VOLVO CAR AB 2.125% 02-04-24	EUR	300 000	315 089,98	0,06
TOTAL SWEDEN			**1 164 792,83**	**0,22**
SWITZERLAND				
CRED SUIS SA GROUP AG 1.0% 24-06-27	EUR	1 500 000	1 571 546,20	0,30
CRED SUIS SA GROUP AG 3.25% 02-04-26	EUR	1 000 000	1 156 633,42	0,21
UBS GROUP AG 1.5% 30-11-24	EUR	300 000	314 245,34	0,06
UBS GROUP AG 1.75% 16-11-22	EUR	500 000	520 233,63	0,10
TOTAL SWITZERLAND			**3 562 658,59**	**0,67**
TOTAL Bonds and similar securities traded on a regulated or similar market			**357 304 025,34**	**67,28**
TOTAL Bonds and similar securities			**357 304 025,34**	**67,28**
Undertakings for collective investment				

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD EURO CORP HIGH YIELD PC EUR	EUR	3 747	6 844 532,49	1,29
LAZARD EURO MONEY MARKET "B"	EUR	0,098	100 323,56	0,02
LAZARD SMALL CAPS EURO I	EUR	19 778	15 722 718,88	2,96
LAZARD WORLD INNOVATION IC	EUR	82 967	14 617 955,73	2,75
TOTAL FRANCE			**37 285 530,66**	**7,02**
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			**37 285 530,66**	**7,02**
TOTAL Undertakings for collective investment			**37 285 530,66**	**7,02**
Forward financial instruments				
Futures contracts				
Futures contracts on a regulated or equivalent market				
CBOT USUL 30A 0321	USD	-440	545 926,81	0,10
EC EURUSD 0321	USD	94	88 733,60	0,02
EURO STOXX 50 0321	EUR	-285	-65 670,00	-0,01
FGBL BUND 10A 0321	EUR	-461	-350 360,00	-0,07
MME MSCI EMER 0321	USD	530	849 282,82	0,16
N1 TOKYO NIKK 0321	JPY	16	44 963,23	0,01
RY EURJPY 0321	JPY	-13	-1 093,41	
SP 500 MINI 0321	USD	-36	-146 516,28	-0,03
XEUR FGBX BUX 0321	EUR	-102	-163 200,00	-0,03
TOTAL Futures contracts on a regulated or equivalent market			**802 066,77**	**0,15**
TOTAL Futures contracts			**802 066,77**	**0,15**
Other forward financial instruments				
Credit Default Swap				
ITRAXX EUR XOVER S34	EUR	-6 300 000	-757 168,58	-0,14
TOTAL Credit Default Swap			**-757 168,58**	**-0,14**
TOTAL Other forward financial instruments			**-757 168,58**	**-0,14**
TOTAL Forward financial instruments			**44 898,19**	**0,01**
Margin call				
CACEIS MARGIN CALL	USD	-2 139 781,74	-1 748 830,65	-0,33
CACEIS MARGIN CALL	JPY	-3 710 625	-29 373,53	
CACEIS MARGIN CALL	EUR	579 230	579 230,00	0,10
CACEIS MARGIN CALL	GBP	-0,05	-0,06	0,01
TOTAL Margin call			**-1 198 974,24**	**-0,22**
Receivables			**38 704 234,79**	**7,28**
Liabilities			**-29 538 298,01**	**-5,56**
Financial accounts			**6 305 801,05**	**1,19**
Net assets			**531 092 241,56**	**100,00**

LAZARD PATRIMOINE SRI PD EUR shares	**EUR**	**18 706,567**	**1 190,90**
LAZARD PATRIMOINE SRI RC shares	**EUR**	**2 026 840,634**	**119,94**
LAZARD PATRIMOINE SRI PC shares	**EUR**	**215 959,220**	**1 222,64**
LAZARD PATRIMOINE SRI PC H USD shares	**USD**	**1 813,754**	**1 127,12**

ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS

Breakdown of interest: LAZARD PATRIMOINE SRI PD EUR shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	113 174,73	EUR	6,05	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax	66 034,18	EUR	3,53	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	179 208,91	EUR	9,58	EUR

TEXT OF RESOLUTIONS

LAZARD MULTI ASSETS
French open-end investment company (Société d'Investissement à Capital Variable)
121, Boulevard Haussmann - 75008 Paris, France
882 094 428 Paris Trade and Companies Register PARIS

RESOLUTION ON THE ALLOCATION OF DISTRIBUTABLE INCOME FOR THE FINANCIAL YEAR OF THE LAZARD PATRIMOINE SRI SUB-FUND

FOR THE FINANCIAL YEAR ENDED DECEMBER 31ST, 2020

Second resolution

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

€2 968 700,92	distributable amount pertaining to net income
-€4 573 959,95	distributable amount pertaining to net capital gains and losses

and decides that they shall be allocated as follows:

1- Distributable amount pertaining to net income
- PC EUR shares: Accumulation: 2 355 083,44
- PD EUR shares: Distribution: 179 208,91
- RC EUR shares: Accumulation: 417 373,47
- PC H-USD shares: Accumulation: 16 858,45

Each shareholder holding "PD EUR" shares on the detachment date will receive a dividend of €9,58.

2- Distributable amount pertaining to net capital gains and losses
- PC EUR shares: Accumulation: -2 214 664,71
- PD EUR shares: Accumulation: -195 152,76
- RC EUR shares: Accumulation: -2 110 310,33
- PC H-USD shares: Accumulation: -53 832,15

As this is the first financial year, no income has yet been distributed.

LAZARD PATRIMOINE MODERATO

LAZARD

FRÈRES GESTION

Key Investor Information

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LAZARD PATRIMOINE MODERATO

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0011261163 - PC EUR shares

Investment objective and policy

Investment objective: The Fund aims to outperform the following composite benchmark index net of charges over a recommended investment period of more than three years: 10% MSCI All Countries NR € + 90% ICE BofAML Euro Broad Market index. The benchmark index is rebalanced every month and its components are expressed in euros, with dividends or net coupons reinvested.

Investment policy: By relying on discretionary allocation while seeking to optimise the risk/return ratio, the Sub-fund's investment objective is achieved by building a low-volatility portfolio by selecting asset classes that are generally decorrelated or negatively correlated (meaning that the value of the assets may move in the opposite direction).

In this respect, the volatility level of the strategic allocation should be close to 3,5% and generally lower than 5% over the recommended investment period.

The proportion of equities and the cumulative exposure to high yield bonds and financial subordinated bonds are defined on a discretionary basis in line with Lazard Frères Gestion's stock market scenario, while complying with the margins for manoeuvre. Lastly, the portfolio construction is based on optimisation aimed at reducing portfolio volatility by selecting the most decorrelated assets.

The expected returns and risks associated with each asset class have been determined on the basis of long track records (more than 10 years).

Investments will be made both directly and through the use of UCIs.

The strategic allocation will mainly consist of bonds supplemented by ancillary exposure to equity markets.

Government bonds and investment grade corporate bonds or bonds with an equivalent rating based on the management company's analysis will in particular be combined with speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis (limited to a maximum of 15% of the net assets) and/or convertible bonds (limited to a maximum of 15% of the net assets) and/or shares of French and foreign companies of any market capitalisation without any predominant geographical area (limited to a maximum of 20% of the net assets).

Government bonds, thanks to a generally negative correlation with risky assets such as equities, will act as a shock absorber in periods of falling equity markets.

However, the target allocation must show the following ranges over the recommended investment horizon:

- exposure of 0 to 100% of net assets for money market instruments,
- exposure of 0 to 100% of net assets for government bonds,
- exposure of 0 to a maximum of 60% of net assets for corporate debt;
- exposure of 0 to a maximum of 20% of net assets for equities.

Tactical hedging may be used in order to limit the risk of a decrease in the net asset value. The hedging decision will depend on the performance of the strategic allocation observed on a daily basis.

Tactical hedging will not result in negative overall exposure to equities or negative interest rate sensitivity. In the event of an abnormal decline in the performance of the strategic allocation in relation to the target volatility, partial or total hedging of the most volatile items will be implemented through the sale of futures contracts. Removal of the hedge is subject to a recovery in the performance of the strategic allocation. The hedging strategy is not intended to generate additional performance in the medium term, but to limit the portfolio's volatility and therefore the risk of a decline in the net asset value. Tactical hedging is triggered by systematic signals and is not based on any expectations; it aims to protect the portfolio in the event of sharp market declines.

The portfolio's volatility level is defined in advance and will be monitored monthly. The optimal allocation will then be adjusted if the ex ante volatility level moves upwards from its 3,5% target. Otherwise, the strategic allocation will remain unchanged.

The manager may use futures, options and currency forward contracts traded on regulated, organised and/or OTC markets to hedge the portfolio and/or expose it to equity, interest rate or currency risk.

Up to 100% of the portfolio's assets may be invested in units or shares of French or European UCITS, and up to a maximum of 30% in units or shares of French or European Union-registered AIFs or foreign investment funds meeting the four criteria set out in Article R. 214-13 of the French Monetary and Financial Code.

Investment solely in UCIs that invest no more than 10% of their assets in other UCIs.

Up to 100% of the portfolio's net assets may also be invested in French or foreign negotiable debt securities, and up to a maximum of 20% of the net assets may be invested in securities with embedded derivatives.

Allocation of distributable income:

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

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

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

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily order reception and daily centralisation of redemption orders before 11.00 p.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

Risk and reward profile

For a lower risk, a potentially lower return — With higher risk, a potentially higher return

- 1 **2** 3 4 5 6 7 +

Description of the indicator and its main limits:

The diversified exposure to the equity market, interest rate and currency risk explains the Fund's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

Other sizeable risks not taken into account in the indicator:

- Credit risk: Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- Counterparty risk: Risk of failure by a counterparty leading it to default on payment.
- Liquidity risk: Risk associated with low liquidity in the underlying markets, rendering them sensitive to large buy and sell movements.
- Derivatives risk: The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

LAZARD

FRÈRES GESTION

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LAZARD PATRIMOINE MODERATO

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0013520798 - RC EUR

Investment objective and policy

Investment objective: The Fund aims to outperform the following composite benchmark index net of charges over a recommended investment period of more than three years: 10% MSCI All Countries NR € + 90% ICE BofAML Euro Broad Market index. The benchmark index is rebalanced every month and its components are expressed in euros, with dividends or net coupons reinvested.

Investment policy: By relying on discretionary allocation while seeking to optimise the risk/return ratio, the Sub-fund's investment objective is achieved by building a low-volatility portfolio by selecting asset classes that are generally decorrelated or negatively correlated (meaning that the value of the assets may move in the opposite direction).
In this respect, the volatility level of the strategic allocation should be close to 3,5% and generally lower than 5% over the recommended investment period.
The proportion of equities and the cumulative exposure to high yield bonds and financial subordinated bonds are defined on a discretionary basis in line with Lazard Frères Gestion's stock market scenario, while complying with the margins for manoeuvre. Lastly, the portfolio construction is based on optimisation aimed at reducing portfolio volatility by selecting the most decorrelated assets.
The expected returns and risks associated with each asset class have been determined on the basis of long track records (more than 10 years).
Investments will be made both directly and through the use of UCIs.
The strategic allocation will mainly consist of bonds supplemented by ancillary exposure to equity markets.
Government bonds and investment grade corporate bonds or bonds with an equivalent rating based on the management company's analysis will in particular be combined with speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis (limited to a maximum of 15% of the net assets) and/or convertible bonds (limited to a maximum of 15% of the net assets) and/or shares of French and foreign companies of any market capitalisation without any predominant geographical area (limited to a maximum of 20 % of the net assets).
Government bonds, thanks to a generally negative correlation with risky assets such as equities, will act as a shock absorber in periods of falling equity markets.

However, the target allocation must show the following ranges over the recommended investment horizon:
- exposure of 0 to 100% of net assets for money market instruments,
- exposure of 0 to 100% of net assets for government bonds,
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Tactical hedging may be used in order to limit the risk of a decrease in the net asset value. The hedging decision will depend on the performance of the strategic allocation observed on a daily basis.

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The portfolio's volatility level is defined in advance and will be monitored monthly. The optimal allocation will then be adjusted if the ex ante volatility level moves upwards from its 3,5% target. Otherwise, the strategic allocation will remain unchanged.

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Investment solely in UCIs that invest no more than 10% of their assets in other UCIs.
Up to 100% of the portfolio's net assets may also be invested in French or foreign negotiable debt securities, and up to a maximum of 20% of the net assets may be invested in securities with embedded derivatives.

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

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

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

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
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Risk and reward profile

For a lower risk, a potentially lower return — With higher risk, a potentially higher return

\- 1 **2** 3 4 5 6 7 +

Description of the indicator and its main limits:
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- Credit risk: Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
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LAZARD

FRÈRES GESTION

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LAZARD PATRIMOINE MODERATO

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0013520806 - PD EUR

Investment objective and policy

Investment objective: The Fund aims to outperform the following composite benchmark index net of charges over a recommended investment period of more than three years: 10% MSCI All Countries NR € + 90% ICE BofAML Euro Broad Market index. The benchmark index is rebalanced every month and its components are expressed in euros, with dividends or net coupons reinvested.

Investment policy: By relying on discretionary allocation while seeking to optimise the risk/return ratio, the Sub-fund's investment objective is achieved by building a low-volatility portfolio by selecting asset classes that are generally decorrelated or negatively correlated (meaning that the value of the assets may move in the opposite direction).
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The proportion of equities and the cumulative exposure to high yield bonds and financial subordinated bonds are defined on a discretionary basis in line with Lazard Frères Gestion's stock market scenario, while complying with the margins for manoeuvre. Lastly, the portfolio construction is based on optimisation aimed at reducing portfolio volatility by selecting the most decorrelated assets.
The expected returns and risks associated with each asset class have been determined on the basis of long track records (more than 10 years).
Investments will be made both directly and through the use of UCIs.
The strategic allocation will mainly consist of bonds supplemented by ancillary exposure to equity markets.
Government bonds and investment grade corporate bonds or bonds with an equivalent rating based on the management company's analysis will in particular be combined with speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis (limited to a maximum of 15% of the net assets) and/or convertible bonds (limited to a maximum of 15% of the net assets) and/or shares of French and foreign companies of any market capitalisation without any predominant geographical area (limited to a maximum of 20% of the net assets).
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Up to 100% of the portfolio's net assets may also be invested in French or foreign negotiable debt securities, and up to a maximum of 20% of the net assets may be invested in securities with embedded derivatives.

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

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within three years.

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

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
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Risk and reward profile

For a lower risk,
a potentially lower return

With higher risk,
a potentially higher return

\- 1 **2** 3 4 5 6 7 +

Description of the indicator and its main limits:
The diversified exposure to the equity market, interest rate and currency risk explains the Fund's classification in this category.
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Other sizeable risks not taken into account in the indicator:

- Credit risk: Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- Counterparty risk: Risk of failure by a counterparty leading it to default on payment.
- Liquidity risk: Risk associated with low liquidity in the underlying markets, rendering them sensitive to large buy and sell movements.
- Derivatives risk: The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

9. CHANGES AFFECTING THE UCI

CHANGES WHICH TOOK PLACE DURING THE PERIOD OR ARE STILL TO TAKE PLACE

On June 26th, 2020, the Board of Directors of **LAZARD MULTI ASSETS** (SICAV with sub-funds) decided to create a new sub-fund, LAZARD PATRIMOINE MODERATO, by merging the Lazard Patrimoine Moderato FCP (mutual fund).

- **Effective date: 13/11/2021**

Corporate governance (CSR) section

V. List of appointments

Directors' names	Number of offices held	List of offices and functions
Matthieu Grouès *Managing Director of Lazard Frères Gestion SAS*	2	Chairman and Chief Executive Officer of Lazard Alpha Allocation Chairman of the SICAV's Board of Directors Lazard Multi Assets (*SICAV with sub-funds)*
Guilaine Perche *Vice President of Lazard Frères Gestion SAS*	3	Chief Executive Officer of Lazard Multi Assets *(SICAV with sub-funds)* Member of the Boards of Directors of the SICAVs: . Norden Family . Lazard Convertible Global
Santillane Coquebert de Neuville *Senior Vice President of Lazard Frères Gestion SAS*	1	Director of Lazard Multi Assets *(SICAV with sub-funds)*
Isabelle Lascoux *Associate of Lazard Frères Gestion*	3	▪ Member of the Boards of Directors of the SICAVs: . Lazard Patrimoine Croissance . Gamica . Lazard Multi Assets (*SICAV with sub-funds)*
Colin Faivre *Vice President of Lazard Frères Gestion SAS*	3	Deputy CEO and Director of the SICAV Lazard Alpha Allocation Member of the Boards of Directors of the SICAVs: . Lazard Convertible Global . Lazard Multi Assets (*SICAV with sub-funds)*
Stéphanie Fournel *Associate of Lazard Frères Gestion SAS*	2	Member of the Boards of Directors of the SICAVs: . Lazard Financial Debt . Lazard Multi Assets (SICAV with sub-funds)

VI. Agreements covered by Article L.225-37-4 para.2 of the French Commercial Code (Code de commerce)

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 December 31st, 2020.

VII. 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 paragraph 3 of the French Commercial Code was granted or was ongoing during the financial year ended December 31st, 2020.

VIII. Method of operation of the general management

The Board of Directors did not decide to separate the functions of Chairman from that of Chief Executive Officer, and will therefore be headed up by the Chairman and Chief Executive Officer.

10. MANAGEMENT REPORT

PERFORMANCE

Financial year of less than one year.

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

ECONOMIC ENVIRONMENT

Economy

2020 was an extraordinary year. The Covid-19 pandemic triggered a sharp economic downturn in the first half of the year, with governments adopting drastic measures to slow the spread of the virus and ease the pressure on health systems. The improvement in the health situation then led to a gradual lifting of restrictions from mid-February in China and from April in the United States and Europe, driving a strong rebound in global activity in the third quarter. That said, activity levels remained below pre-pandemic levels. The pace of the recovery slowed in the fourth quarter, especially in Europe where lockdown measures were reintroduced. Encouraging news on vaccines, however, pointed to a way out of the crisis. Against this backdrop, central banks and governments implemented support measures on an unprecedented scale. These measures helped limit the impact of the crisis on the financial situation of the private sector, at the cost of a significant increase in budget deficits.

In the United States, GDP fell by 9,0% year-on-year in Q2 2020. The unemployment rate rose from 3,6% to 6,7% with a peak of 14,8% in April. Inflation over one year slowed from +2,3% to +1,4% in headline terms and from +2,3% to +1,6% excluding food and energy. The Federal Reserve announced a raft of support measures: a cumulative cut in its key rate of 150 basis points to 0%-0,25%, a programme of unlimited purchases of Treasury bills and mortgage-backed securities, and a programme of loans to businesses and local authorities. In September, Jerome Powell said that the Fed would tolerate inflation in excess of 2% to compensate for periods of lower inflation. The US Congress adopted two massive fiscal stimulus packages: a first package of 10,7% of GDP in March and a second package of 4,3% of GDP in December. Democratic candidate Joe Biden won the presidential election. The Democrats retained their majority in the House of Representatives and took control of the Senate.

In the Eurozone, GDP declined by -4,3% year-on-year in Q3 2020. By country, it fell by 4,0% in Germany, by 3,9% in France, by 5,0% in Italy and by 9,0% in Spain. The unemployment rate rose from 7,4% to 8,3% with a peak of 8,7% in February. Inflation over one year slowed from +1,3% to -0,3% in headline terms and from +1,3% to +0,2% excluding food and energy. In March, the ECB announced a €120bn increase in its asset purchase programme (APP) and a new €750bn pandemic emergency purchase programme (PEPP). The PEPP was increased by €600bn in June and by €500bn in December, bringing the total envelope to €1850 bn. The terms of the targeted longer-term refinancing operations (TLTRO), offering funding at negative interest rates, were adjusted. In July, EU countries reached an agreement on a European recovery plan of €750 billion, equivalent to 5,4% of GDP.

In China, GDP grew by +4,9% year-on-year in Q3 2020. In November, industrial production rose by 7,0% year-on-year, investment by 9,7% and retail sales by 6,1% in volume. The unemployment rate was stable at 5,2% with a peak of 6,2% in February. Inflation over one year slowed from +4,5% to +0,2% in headline terms, due mainly to a slowdown in pork prices, and from +1,4% to +0,4% excluding food and energy. The Chinese central bank notably cut its key interest rate by 30 basis points to 2,95% and reduced the reserve requirement ratio by 50 basis points for banks to 12,50% for large banks and 10,50% for small and medium-sized banks. The government announced support measures amounting to 4,7% of GDP.

Markets

Equity markets had started 2020 rather well, driven by the easing of US-China trade tensions and the first signs of an economic recovery. They collapsed from the end of February, when the coronavirus outbreak in China spread to the rest of the world. The movement was extremely drastic and very rapid, with the Euro Stoxx losing almost 40% in just one month.

After plummeting in the first quarter, equity markets rebounded strongly in the second quarter, thanks to the lifting of restrictive measures in Europe and the United States, the recovery of global activity and the strengthening of monetary and fiscal support measures. At the end of June, the equity markets had recouped their losses to a large extent.

With hopes of further support measures and progress on the vaccine front, the catch-up continued at the beginning of the third quarter. It was interrupted by a correction in September on the back of a sharp decline in US technology stocks and fears about further lockdowns in Europe, amid political uncertainty in the United States.

Equity markets then went on to post exceptional performances in the fourth quarter, with good news on vaccines, the approval of a new fiscal stimulus package in the United States and the Brexit deal trumping the reintroduction of lockdown measures in Europe.

All in all, the MSCI World All Country index in dollars gained 14,3% over 12 months. That said, this masks significant differences between markets. The S&P 500 in dollars rose by 16,3% over one year, while the Euro Stoxx in euros fell by 1,6%.

In the bond market, government bond yields fell. The US 10-year Treasury rate fell from 1,92% to 0,91%, with an all-time low of 0,51% on 4 August, and the German 10-year yield fell from -0,19% to

-0,57%, with an all-time low of -0,86% on 9 March. Peripheral countries' credit spreads relative to Germany tightened sharply in Italy (-48 basis points) and in Greece (-46 basis points), while they remained more or less stable in Spain (-4 basis points) and Portugal (-3 basis points).

In the European credit segment, credit margins widened significantly in the first quarter of 2020 before tightening sharply. According to the ICE Bank of America indices, they rose from 94 basis points to 93 basis points year-on-year for high-quality issuers, with a high of 234 in early April, and from 308 basis points to 355 basis points for high-yield issuers, with a high of 866 in late March.

On the foreign exchange market, the euro appreciated by 8,9% against the dollar, by 3,6% against the yen and by 5,7% against the pound sterling. It depreciated by 0,4% against the Swiss franc. Emerging currencies depreciated on average by 5,8% against the dollar according to the JPMorgan index.

Turning to commodities, the price of a barrel of Brent fell by 23% over the year, from \$66 to \$51, with a low point of \$19 on April 21st.

MANAGEMENT POLICY

Underpinned by reduced trade uncertainty and signs of stabilisation in global growth, risky assets got off to a good start and peaked around 20th January. The coronavirus epidemic in China then triggered a turnaround over concerns of a major economic impact on Chinese growth and a knock-on effect on global growth. In January, dividends reinvested, the MSCI Emerging Markets Index fell by 4,7% (in dollars), the Topix by 2,1% (in yen) and the Euro Stoxx by 1,7%. The S&P 500 was stable in dollar terms. These concerns supported the BofAML index of Eurozone government bonds (+2,4%) while driving down the German 10-year yield (-25 basis points). Credit held up well. The iBoxx investment grade corporate bond index rose 1,2% while the iBoxx financial subordinated debt and euro liquid high yield indices were up 0,6% and 0,1%, respectively. The euro depreciated by 1,1% against the dollar and by 1,3% against the yen.

As part of our monthly allocation optimisation, we increased the weighting of Lazard Capital Fi and Lazard Euro Corp High Yield by 0,5% each.

After a positive start to the month, equity markets turned around sharply when the coronavirus epidemic started to spread outside China, notably in South Korea and Italy. In February, dividends reinvested, the S&P 500 fell by 8,3%, the MSCI Emerging Markets Index by 5,3% (in dollars for both indices), the Euro Stoxx by 7,9% and the Topix by 10,3% (in yen). The equity correction was accompanied by a fall in German and US government bond yields (-17bp and -36bp, respectively, for the 10-year yields), while Eurozone peripheral spreads and credit spreads widened sharply. The ICE BofAML Eurozone government bond index gained 0,4% while credit fell. The iBoxx investment grade corporate bond index fell 0,4% while the iBoxx financial subordinated debt and euro liquid high yield indices were down 1,0% and 2,0%, respectively. The euro depreciated by 0,7% against the dollar and by 0,9% against the yen.

As part of our monthly allocation optimisation, we increased the weighting of Lazard Euro Corp High Yield and Lazard Capital Fi by 0,5% each. At the very end of the month, the trigger of the second signal of the systematic risk reduction mechanism led us to hedge the remaining exposures: reduction in equities (-7,4%, CAC 40 at 5310), in the Lazard Euro Corp High Yield and Lazard Capital Fi credit funds (-3,0% each), in the short dollar position (+3,4% to 1,10) and a decrease in the sensitivity to the euro rate (-1,6, 5-year at -0,76).

The spread of the epidemic in Europe, then in the United States and around the world, and the containment measures put in place, led to real panic in the financial markets. The colossal measures announced by governments to support companies and households during the halt in activity even drove yields up over a period of a few days, adding to the rout of equities and corporate bonds that of government bonds. The massive intervention by central banks to buy bonds then enabled bond yields to drop. Equities picked up at the end of the month in response to the scale of the fiscal and monetary measures announced. In March, dividends reinvested, the S&P 500 posted a performance of -12,4% in dollars, the EuroStoxx of -16,9% in euros, the Topix of -6,0% in yen and the MSCI Emerging Markets index of -15,3% in dollars. The euro was stable against the dollar and lost 0,4% against the yen. 10-year government bond yields fluctuated by -48 basis points in the US and by +14 basis points in Germany. All euro-denominated bond indices were down: -3,4% for the BofAML Euro Government Index, -6,9% for the iBoxx investment grade bond index, -9,0% for the subordinated financial bond index and -13,3% for the iBoxx EUR liquid high yield index.

Equity markets rebounded sharply in April, buoyed by signs of activity restarting in China, the prospect of an exit from lockdown in Europe and the United States as the epidemic situation improves, massive monetary and fiscal responses around the world, and the hope of a treatment for COVID-19. These factors relegated the bad economic figures to the background. Dividends reinvested, the S&P 500 rose by 12,8% in dollars, the Euro Stoxx by 6,5% in euros, the Topix by 4,3% in yen and the MSCI Emerging Markets index by 9,2% in dollars. The euro depreciated by 0,7% against the dollar and by 1,0% against the yen. 10-year government bond yields fell by 3 basis points in the United States and by 12 basis points in Germany. Euro-denominated bond indices were up: +0,4% for the BofAML Euro Government Index, +3,7% for the iBoxx investment grade bond index, +5,9% for the subordinated financial bond index and +6,2% for the iBoxx EUR liquid high yield index.

The rebound in risky assets made it possible to remove the hedge put in place at the end of February, i.e. half of the target allocation. We then subscribed to the Lazard Actions Euro fund for 7,5% of the assets (CAC 40 at 4499) and set up a modified duration of 1,2 (German 5-year yield at -0,67).

The rebound in global equity markets continued in May, despite renewed US-China tensions. Investors welcomed the lifting of lockdown measures in Europe and the United States, with no upturn in coronavirus cases in the countries that were the first to exit lockdown, the confirmation of the economic recovery in China, and the €750bn stimulus plan presented by the European Commission. Dividends reinvested, the Euro Stoxx rose by +5,2% in euros, the S&P 500 by +4,8% in dollars, the Topix by +6,8% in yen and the MSCI Emerging Markets index by +0,8% in dollars. 10-year government bond yields rose by 14 basis points in Germany and were stable in the United States. The euro appreciated by +1,3% against the dollar and by +2,0% against the yen. Euro-denominated bond indices rose, notably the iBoxx liquid high yield index, up 2,9%. The BofAML Eurozone government bond index and the iBoxx investment grade corporate bond and financial subordinated indices rose between +0,2% and +0,3%.

At the beginning of the month, we reduced our position in the Lazard Actions Euro fund by 0,5% to return to our target weighting (CAC 40 at 4433).

Risky assets started the month up sharply, supported by better-than-expected economic figures, the ECB's announcement of increased asset purchases, and the announcement of a recovery plan in Germany. The trend then reversed as new coronavirus cases surged in a number of southern and western US states. Subsequently, the markets fluctuated in line with hopes of economic recovery, a new stimulus package in the United States and fears of a resurgence of the epidemic. All in all, dividends reinvested, the Euro Stoxx rose by +4,9% in euros, the S&P 500 by +2,0% in dollars, and the MSCI Emerging Markets index by +7,4% in dollars. The Topix fell by -0,2% in yen. German and US 10-year government bond yields were broadly stable. The euro appreciated by +1,3% against the dollar and yen. Euro-denominated bond indices were up: +1,0% for the BofAML Euro Government Index, +1,3% for the iBoxx investment grade corporate bond index, +1,2% for the financial subordinated bond index and +1,8% for the high yield bond index.

At the beginning of the month, we reduced our position in the Lazard Actions Euro fund by 0,5% to return to our target weighting (CAC 40 at 4958).

Risky assets performed well in July, underpinned by better-than-expected economic reports, expectations of further support measures and progress in the search for a vaccine against Covid-19. These factors outweighed concerns about the epidemic's spread across the United States and the resurgence of China-US tensions. The equity markets moved in different directions: Dividends reinvested, the S&P 500 rose by 5,6% in dollars and the MSCI Emerging Markets index by 8,9% in dollars. The Euro Stoxx fell by 0,9% in euro and the Topix by 4,0% in yen. The euro appreciated sharply against the dollar (+4,8%) and against the yen (+2,9%). German and US 10-year government bond yields fell while euro bond indices rose: +1,1% for the BofAML Euro Government Index and +1,5% for the iBoxx investment grade corporate bond index, the financial subordinated bond index and the high yield bond index.

Effective July 1st, the fund became Lazard Patrimoine Moderato. The main changes were the inclusion of the macroeconomic scenario in the strategic allocation, the increase from 15% to 20% of the equity exposure limit and from 10% to 15% of the high yield bond exposure limit, and the introduction of a benchmark (10% MSCI All Countries NR € + 90% ICE BofAML Euro Broad Market index).
As part of the fund's transformation, we reduced our positions in Lazard Actions Euro (-3,5% of assets) and invested in Lazard Actions Américaines (8%), Lazard Actions Emergentes (1,8%), Lazard Actions Japon (1,3%), Lazard Credit Fi (6%), Lazard Capital Fi (4%) and Lazard Euro High Yield (2,5%).
At the very end of the month, we took a profit on US equities, in which we reduced our position by -2,4% (S&P 500 at 3255) to bring their weighting in line with that of the index.

The equity markets posted excellent performances in August against a backdrop of positive economic surprises, better-than-expected results and progress on the development of a COVID vaccine. Although Congress failed to reach an agreement on the budget, US indices reached record highs, largely driven by technology stocks. The epidemic slowed in the United States, supporting the US market, while the European market was held back by the rebound in new cases and the continued appreciation of the euro (+1.3% against the dollar and yen). Dividends reinvested, the S&P 500 rose by +7,2% in dollars, the Euro Stoxx by +3,5% in euros, the Topix by +8,2% in yen and the MSCI Emerging Markets index by +2,2% in dollars. Good economic figures drove government yields up, driving the BofAML index of euro-denominated government bonds down -0,8%. The iBoxx credit indices rose: the investment grade corporate bond index was up 0,2%, the financial subordinated index 1,0%, and the euro liquid high yield index 1,4%.

We maintained our portfolio allocation for the month.

Risky assets corrected in September, hurt by the fall in US technology stocks, fears of further lockdowns in Europe with the reintroduction of restrictive measures, tensions over Brexit and political uncertainty in the United States. Dividends reinvested, the S&P 500 was down 3,8% in dollars, the Euro Stoxx lost 1,8% in euros, and the MSCI Emerging Markets index fell 1,6% in dollars. The Topix was up 1,3% in yen. The BofAML government bond index rose 1,4%, supported by the fall in the German 10-year yield (-0,13%). The iBoxx corporate bond indices gained 0,3% for investment grade bonds and fell by respectively 0,6% and 0,2% for high yield and financial subordinated bonds. The deteriorating health situation in Europe weighed on the euro (-2,1% against the dollar and -2,2% against the yen).

The fund was hurt by its overweight position in European equities, by its credit exposure and by a lower sensitivity to interest rates than that of its benchmark index. It benefited from its overweighting in Japanese equities.
As part of the monthly allocation optimisation, we increased the modified duration by 1,6 points (German 5-year at -0,68). As part of the month-end index rebalancing, we increased exposure to euro equities by 0,3% (CAC 40 at 4803).

Developed country equities experienced a further correction in October, amid uncertainty over the increasing lockdown measures in Europe and the US presidential election. Dividends reinvested, the Euro Stoxx lost 5,7%, the S&P 500 in dollars lost 2,7% and the Topix in yen lost 2,8%. Conversely, the MSCI emerging markets index in dollars rose by 2,1%. The fall in the German 10-year interest rate (-10 basis points) supported the ICE BofA government bond index, which rose by +1,4%. The iBoxx corporate bond indices rose by 0,8% for investment grade, by 0,3% for high yield bonds and by 0,2% for financial subordinated bonds. The euro depreciated by -0,6% against the dollar and by -1,4% against the yen.

As part of the monthly allocation optimisation, we lowered the modified duration by 0,6 points (German 5-year at -0,77). We also adjusted the weight of Lazard Capital Fi (-0,2%), Lazard Crédit Fi (-0,1%) and Lazard Euro Corp High Yield (-0,1%). We sold the dollar (-0,8%) and the yen (-0,9%) against the euro. As part of the month-end index rebalancing, we increased exposure to euro equities by 0,1% (CAC 40 at 4594).

Risky assets recorded an exceptional performance in November, with the good results of Covid-19 vaccines giving hope for a lasting recovery in activity as the epidemic ebbs away. The improved economic outlook took priority over the strengthening of lockdown measures in Europe. Joe Biden's victory in the US presidential election was also well received. Dividends reinvested, the Euro Stoxx rose by 17,0% in euros, the S&P 500 by 10,9% in dollars, the Topix by 11,1% in yen and the MSCI Emerging Markets index by 9,2% in dollars. Sector rotation was strong and in favour of cyclical stocks. The ICE BofAML government bond index in euro was virtually flat (+0,1%) despite the 6 basis point tightening of the German 10-year yield. The iBoxx credit indices rose by respectively 4,0% and 2,3% for high yield bonds and subordinated financials and by 1,0% for investment grade. The euro appreciated by +2,4% against the dollar and by +2,0% against the yen.

As Joe Biden's victory became clear, we increased our positions in US equities by 1,9% (S&P 500 at 3490). As we considered that the development of a Covid-19 vaccine was the main way back to normal business activity and to re-launch a new phase of economic expansion, Pfizer's announcement of the first positive results prompted us to further our positions in European equities by 0,6% (CAC at 5300). We reallocated the equity compartment by region, reducing the United States by 1,3% in favour of Europe, +0,7% and emerging countries, +0,5%. At the end of the month, we partially hedged the dollar for 2,5% of the assets (EUR/USD at 1,1878). As part of the monthly allocation optimisation, we increased modified duration by 0,6 points (German 5-year at -0,76) and reduced the exposure to government bonds in favour of credit by investing 19,0% in Lazard Euro Credit and 6,5% in Lazard Euro Short Duration. We also adjusted the weight of Lazard Capital Fi (-0,2%) and Lazard Crédit Fi (-0,1%). As part of the month-end index rebalancing, we trimmed US equities by 0,6% (S&P at 3622) and euro equities by 0,3% (CAC 500 at 5519).

Despite increased health restrictions in Europe and the emergence of a new, apparently more contagious strain of the coronavirus, equity markets continued to rise in December, driven by the start of the vaccination campaigns, the approval of a new fiscal stimulus plan in the United States and the agreement on Brexit. Dividends reinvested, the Euro Stoxx rose by +2,1% in euros, the S&P 500 by +3,8% in dollars, the Topix by +3,0% in yen and the MSCI Emerging Markets index by +7,4% in dollars. The ICE BofAML government bond index in euro was virtually flat (+0,1%) as was the German 10-year yield. The iBoxx credit indices in euro rose by 0,7% for both high yield bonds and subordinated financials and by 0,2% for investment grade. The euro continued to appreciate against the dollar (+2,4%) and against the yen (+1,0%).

At the beginning of the month, we took profits on high yield bonds following the significant tightening in spreads since the end of October, trimming Lazard Euro Corp High Yield by 0,6%, i.e. around one third of the position. On the other hand, we invested in Lazard Credit Opportunities, a fund in which credit exposure and sensitivity are managed flexibly.

Past performance is no guarantee of future results.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
GERMANY 1.50% 02/23	2 444 659,63	1 700 814,95
FRAN GOVE BON 0.25% 25-11-26	2 367 322,93	
LAZARD EURO CREDIT	1 354 874,61	
LAZARD ACT AMERIC PC-EUR	517 861,42	224 474,49
LAZARD EURO SHORT DURATION IC	461 468,84	
LAZARD CREDIT FI PVC EUR	427 464,88	8 234,24
LAZARD ACTIONS EURO IC	368 019,58	21 540,04
LAZARD CAPITAL FI PVC EUR	289 028,46	14 256,34
LAZARD EURO CORP HIGH YIELD PC EUR	178 452,00	43 689,36
LAZARD ACT AMERIC PC H-EUR	182 460,75	

11. REGULATORY INFORMATION

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.

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

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

- **Exposure through efficient management techniques:**
  - o Securities lending:
  - o Securities borrowing:
  - o Repurchase agreements:
  - o Reverse repurchase agreements:
- **Underlying exposure through derivative financial instruments: 2 703 600,00**
  - o Currency forwards:
  - o Futures: 2 703 600,00
  - 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 (*)

(*) Excluding listed derivatives

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

Instrument types	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 liquidities 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

- **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 sustainable economic performance.

The long-term performance of investments is not limited to the sole consideration of 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 sustainability is strengthened by incorporating extra-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 a sovereign asset.

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

- **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.

- **INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE (FOR DISTRIBUTING UCIs)**

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%.

- **REMUNERATION**

The fixed and variable remuneration paid during the financial year ended on December 31st, 2020 by the management company to its personnel, in proportion to their investment in the management of the AIFs, excluding the management of the UCITS and discretionary mandates, can be obtained on request by post from the UCI legal department of Lazard Frères Gestion, and are included in the company's annual report. The total variable remuneration is set by the Lazard Group based on different criteria, including the Lazard Group's financial performance over the past year and taking its results into account. The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components. All risks 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.

Population at 31/12/2020: Fixed-term and permanent contracts at LFG and LFG Belgique (i.e. excluding interns and trainees and excluding LFG Courtage)

headcount at 31/12/2020 LFG - LFG Belgique	Fixed annual remuneration 2020 in €	Variable remuneration for 2020 (cash paid in 2021 and deferred compensation allocated in 2021) in €
179	16 522 853	22 155 596

"Identified employees"

Category	Number of employees	Aggregate fixed and variable remuneration in 2020 (annual salaries and cash and deferred bonuses)
Senior management	3	4 310 982
Other	51	21 362 196
Total	**54**	**25 673 178**

Note: the amounts are stated excluding charges

- **OTHER INFORMATION**

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

LAZARD FRERES GESTION SAS
25, Rue de Courcelles - 75008 Paris, France

www.lazardfreresgestion.fr

12. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31/12/2020 *in* EUR

ASSETS

	31/12/2020
NET NON-CURRENT ASSETS	
DEPOSITS	
FINANCIAL INSTRUMENTS	**6 986 601,36**
Equities and similar securities	
Traded on a regulated or equivalent market	
Not traded on a regulated or equivalent market	
Bonds and similar securities	**3 109 210,37**
Traded on a regulated or equivalent market	3 109 210,37
Not traded on a regulated or equivalent market	
Debt securities	
Traded on a regulated or equivalent market	
Negotiable debt securities	
Other debt securities	
Not traded on a regulated or equivalent market	
Undertakings for collective investment	**3 875 590,99**
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	3 875 590,99
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU	
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities	
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities	
Other non-European entities	
Temporary securities transactions	
Receivables on securities purchased under repurchase agreements	
Receivables on loaned securities	
Borrowed securities	
Securities sold under repurchase agreements	
Other temporary transactions	
Forward financial instruments	**1 800,00**
Transactions on a regulated or equivalent market	1 800,00
Other transactions	
Other financial instruments	
RECEIVABLES	**19 529,80**
Currency forward exchange transactions	
Other	19 529,80
FINANCIAL ACCOUNTS	**237 141,63**
Cash and cash equivalents	237 141,63
TOTAL ASSETS	**7 243 272,79**

LIABILITIES AND SHAREHOLDERS' EQUITY

	31/12/2020
SHAREHOLDERS' EQUITY	
Share capital	7 231 070,50
Undistributed net capital gains and losses recognised in previous years (a)	
Retained earnings (a)	
Net capital gains and losses for the year (a, b)	6 069,18
Net income for the year (a,b)	1 184,65
TOTAL SHAREHOLDERS' EQUITY*	**7 238 324,33**
** Sum representing the net assets*	
FINANCIAL INSTRUMENTS	**1 800,00**
Sales of financial instruments	
Temporary securities transactions	
Liabilities on securities sold under repurchase agreements	
Liabilities on borrowed securities	
Other temporary transactions	
Forward financial instruments	1 800,00
Transactions on a regulated or equivalent market	1 800,00
Other transactions	
LIABILITIES	**3 148,46**
Currency forward exchange transactions	
Other	3 148,46
FINANCIAL ACCOUNTS	
Bank overdrafts	
Borrowings	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7 243 272,79**

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS AT 31/12/2020 *in* EUR

	31/12/2020
HEDGING TRANSACTIONS	
Commitments on regulated or similar markets	
Commitments on OTC markets	
Other commitments	
OTHER TRANSACTIONS	
Commitments on regulated or similar markets	
Futures contracts	
XEUR FGBM BOB 0321	2 703 600,00
Commitments on OTC markets	
Other commitments	

INCOME STATEMENT AS AT 31/12/2020 *in* EUR

	31/12/2020
Income from financial transactions	
Income from deposits and financial accounts	
Income from equities and similar securities	
Income from bonds and similar securities	5 625,00
Income from debt securities	
Income from temporary purchases and sales of securities	
Income from forward financial instruments	
Other financial income	
TOTAL (1)	**5 625,00**
Expenses related to financial transactions	
Expenses related to temporary purchases and sales of securities	
Expenses related to forward financial instruments	
Expenses related to financial liabilities	4,90
Other financial charges	
TOTAL (2)	**4,90**
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	**5 620,10**
Other income (3)	
Management fees and depreciation and amortisation (4)	4 483,09
Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)	**1 137,01**
Income adjustment for the financial year (5)	47,64
Interim dividends paid on net income for the financial year (6)	
Net income (1 - 2 + 3 - 4 + 5 - 6)	**1 184,65**

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01, as amended, of the French accounting standards body (*Autorité des Normes Comptables* - ANC).

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

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

Purchases and sales of securities are recorded excluding expenses.

The accounting currency of the portfolio is the euro.

The financial year comprises 1 month and 19 days.

Information on the impact of the COVID-19 crisis

The financial statements were approved by the Board of Directors on the basis of available information in the context of the evolving Covid-19 crisis.

Asset valuation rules

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

o **Shares and similar securities** are valued on the basis of the last known price on their main market.
If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

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

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

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

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

Negotiable debt securities (NDS) are for the most part 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 net asset values are published monthly may be valued on the basis of interim net asset values calculated from estimated prices.

- **Temporary purchases and sales of securities:**

Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (overnight EONIA, 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.

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

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

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

Off-balance sheet transactions are valued at the commitment value.
The commitment value for futures contracts is equal to the price (in the 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:

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

This amount is then recorded in the UCI's income statement and paid in full to the management company.
The management company pays the UCI's operating fees including for:
financial management;
administration and accounting;
custody services;
other operating fees:
statutory auditors' fees;
legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

The fees break down as follows, as set out in the regulations:

Fees charged to the Sub-fund	Basis	Share	Rate (maximum incl. taxes)	
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion	PC EUR	0,43%	
		RC EUR	0,86%	
		PD EUR	0,43%	
Administrative fees external to the management company	Net assets	Applied to all shares	0,035%	
Indirect charges (management fees and expenses)	Net assets	Applied to all shares	4,50%	
Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	Applied to all shares	Equities, foreign exchange	None
			Futures and other transactions	From €0 to €450 per batch/ contract
Performance fees	Net assets	PC EUR, RC EUR, PD EUR	None	

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 6179.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

Allocation of distributable income

Definition of distributable income:

Net income:

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

Capital gains and losses:

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

Allocation of distributable income:

Share(s)	*Allocation of net income*	*Allocation of net realised capital gains or losses*
LAZARD PATRIMOINE MODERATO PD EUR shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD PATRIMOINE MODERATO RC EUR shares	Accumulation	Accumulation
LAZARD PATRIMOINE MODERATO PC EUR shares	Accumulation	Accumulation

2. CHANGE IN NET ASSETS as at 31/12/2020 *in* euros

	31/12/2020
NET ASSETS AT START OF YEAR	
Subscriptions (including subscription fees retained by the Fund)	7 995 249,65
Redemptions (net of redemption fees retained by the Fund)	-846 243,61
Realised capital gains on deposits and financial instruments	8 184,92
Realised capital losses on deposits and financial instruments	-22,89
Realised capital gains on forward financial instruments	1 149,12
Realised capital losses on forward financial instruments	-3 180,00
Transaction charges	-128,13
Exchange rate differences	-103,79
Changes in valuation difference of deposits and financial instruments	80 482,05
Valuation difference for financial year N	*80 482,05*
Valuation difference for financial year N-1	
Changes in valuation difference of forward financial instruments	1 800,00
Valuation difference for financial year N	*1 800,00*
Valuation difference for financial year N-1	
Distribution of prior year's net capital gains and losses	
Dividends paid in the previous financial year	
Net profit/loss for the financial year prior to income adjustment	1 137,01
Interim dividend(s) paid on net capital gains/losses during the financial year	
Interim dividend(s) paid on net income during the financial year	
Other items	
NET ASSETS AT END OF YEAR	**7 238 324,33**

3. ADDITIONAL INFORMATION (*)

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount:	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
Fixed-rate bonds traded on a regulated or similar market	3 109 210,37	42,95
TOTAL BONDS AND SIMILAR SECURITIES	**3 109 210,37**	**42,95**
DEBT SECURITIES		
TOTAL DEBT SECURITIES		
LIABILITIES AND SHAREHOLDERS' EQUITY		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS		
OTHER TRANSACTIONS		
Interest rates	2 703 600,00	37,35
TOTAL OTHER TRANSACTIONS	**2 703 600,00**	**37,35**

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
ASSETS								
Deposits								
Bonds and similar securities	3 109 210,37	42,95						
Debt securities								
Temporary securities transactions								
Financial accounts							237 141,63	3,28
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions	2 703 600,00	37,35						

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

	< 3 months	%	]3 months-1 year]	%	]1 – 3 years]	%	]3-5 years]	%	> 5 years	%
ASSETS										
Deposits										
Bonds and similar securities					743 119,77	10,27			2 366 090,60	32,69
Debt securities										
Temporary securities transactions										
Financial accounts	237 141,63	3,28								
LIABILITIES AND SHAREHOLDERS' EQUITY										
Temporary securities transactions										
Financial accounts										
OFF-BALANCE SHEET										
Hedging transactions										
Other transactions							2 703 600,00	37,35		

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

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

	Currency 1 USD		Currency 2		Currency 3		Currency N OTHER(S)	
	Amount:	%	Amount:	%	Amount:	%	Amount:	%
ASSETS								
Deposits								
Equities and similar securities								
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables								
Financial accounts	3 106,43	0,04						
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	31/12/2020
RECEIVABLES		
	Margin cash deposits	19 529,80
TOTAL RECEIVABLES		**19 529,80**
LIABILITIES		
	Fixed management fees	3 148,46
TOTAL LIABILITIES		**3 148,46**
TOTAL LIABILITIES AND RECEIVABLES		**16 381,34**

3.6. SHAREHOLDERS' EQUITY

• 3.6.1. Number of securities issued or redeemed

	In equity	In amounts
LAZARD PATRIMOINE MODERATO "PD" EUR shares		
Shares subscribed during the financial year	1,000	1 021,72
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	1 021,72
Number of shares outstanding at the end of the financial year	1,000	
LAZARD PATRIMOINE MODERATO "RC" EUR shares		
Shares subscribed during the financial year	1,000	1 021,73
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	1 021,73
Number of shares outstanding at the end of the financial year	1,000	
LAZARD PATRIMOINE MODERATO "PC" EUR shares		
Shares subscribed during the financial year	6 918,890	7 993 206,20
Shares redeemed during the financial year	-730,000	-846 243,61
Net balance of subscriptions/redemptions	6 188,890	7 146 962,59
Number of shares outstanding at the end of the financial year	6 188,890	

• 3.6.2. Subscription and/or redemption fees

	In amounts
LAZARD PATRIMOINE MODERATO "PD" EUR shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD PATRIMOINE MODERATO "RC" EUR shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD PATRIMOINE MODERATO "PC" EUR shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

3.7. MANAGEMENT FEES

	31/12/2020
LAZARD PATRIMOINE MODERATO "PD" EUR shares	
Guarantee fees	
Fixed management fees	
Percentage of fixed management fees	
Variable management fees	
Retrocessions of management fees	
LAZARD PATRIMOINE MODERATO "RC" EUR shares	
Guarantee fees	
Fixed management fees	
Percentage of fixed management fees	
Variable management fees	
Retrocessions of management fees	
LAZARD PATRIMOINE MODERATO "PC" EUR shares	
Guarantee fees	
Fixed management fees	4 483,09
Percentage of fixed management fees	0,46
Variable management fees	
Retrocessions of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the Fund:

None.

3.8.2. Other commitments received and/or given:

None.

3.9. OTHER INFORMATION

• 3.9.1. Present value of financial instruments held temporarily

	31/12/2020
Securities held under repurchase agreements Borrowed securities	

• 3.9.2. Present value of financial instruments representing security deposits

	31/12/2020
Financial instruments given as security and retained under their original classification Financial instruments received as security and not recorded on the balance sheet	

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

	ISIN code	Name	31/12/2020
Equities			
Bonds			
Negotiable debt securities			
UCIs			3 875 590,99
	FR0007074695	LAZARD ACT AMERIC PC-EUR	306 697,86
	FR001325433I	LAZARD ACT AMERIC PC H-EUR	186 680,25
	FR0010380675	LAZARD ACTIONS EMERGENTES	106 532,55
	FR0010365288	Lazard Actions Emergentes I	78 686,58
	FR0010259945	LAZARD ACTIONS EURO IC	361 639,35
	FR0010952788	LAZARD CAPITAL FI PVC EUR	289 557,80
	FR0010590950	LAZARD CREDIT FI PVC EUR	434 383,82
	FR0010505313	LAZARD EURO CORP HIGH YIELD PC EUR	138 826,92
	FR0010751008	LAZARD EURO CREDIT	1 364 325,90
	FR0000027609	LAZARD EURO SHORT DURATION IC	462 752,22
	FR0010235507	LAZARD FUNDS SICAV LAZARD CREDIT OPPORTUNITIES PC EUR	43 937,52
	FR0000004012	LAZARD JAPON A Act -A-	101 570,22
Forward financial instruments			
Total group securities			**3 875 590,99**

3.10. TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME

• Table of allocation of distributable income pertaining to net income

	31/12/2020
Remaining amounts to be allocated	
Retained earnings	
Net income	1 184,65
Total	**1 184,65**

	31/12/2020
LAZARD PATRIMOINE MODERATO "PD" EUR shares	
Appropriation	
Distribution	0,81
Balance brought forward for the financial year	
Accumulation	
Total	**0,81**
Information on shares with dividend rights	
Number of shares	1,000
Dividend per share	0,81
Tax credit	
Tax credit attached to the distribution of earnings	

	31/12/2020
LAZARD PATRIMOINE MODERATO "RC" EUR shares	
Appropriation	
Distribution	
Balance brought forward for the financial year	
Accumulation	0,81
Total	**0,81**

	31/12/2020
LAZARD PATRIMOINE MODERATO "PC" EUR shares	
Appropriation	
Distribution	
Balance brought forward for the financial year	
Accumulation	1 183,03
Total	**1 183,03**

- **Table of allocation of distributable amounts pertaining to net capital gains and losses**

	31/12/2020
Remaining amounts to be allocated	
Undistributed net capital gains and losses recognised in previous years	
Net capital gains and losses for the year	6 069,18
Interim dividends paid on net capital gains/losses for the financial year	
Total	**6 069,18**

	31/12/2020
LAZARD PATRIMOINE MODERATO “PD” EUR shares	
Appropriation	
Distribution	0,88
Undistributed net capital gains and losses	
Accumulation	
Total	**0,88**
Information on shares with dividend rights	
Number of shares	1,00
Dividend per share	0,88

	31/12/2020
LAZARD PATRIMOINE MODERATO “RC” EUR shares	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	0,88
Total	**0,88**

	31/12/2020
LAZARD PATRIMOINE MODERATO “PC” EUR shares	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	6 067,42
Total	**6 067,42**

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

	31/12/2020
Global net assets in euros	**7 238 324,33**
LAZARD PATRIMOINE MODERATO "PD" EUR shares	
Net assets	1 035,24
Number of shares	1,000
Net asset value per share	1 035,24
Accumulation per share pertaining to net capital gains/losses	0,88
Distribution of income per share (*)	0,81
Tax credit per share	
LAZARD PATRIMOINE MODERATO "RC" EUR shares	
Net assets	1 035,28
Number of shares	1,000
Net asset value per share	1 035,28
Accumulation per share pertaining to net capital gains/losses	0,88
Accumulation per share pertaining to income	0,8I
LAZARD PATRIMOINE MODERATO "PC" EUR shares	
Net assets	7 236 253,81
Number of shares	6 188,890
Net asset value per share	1 169,23
Accumulation per share pertaining to net capital gains/losses	0,98
Accumulation per share pertaining to income	0,19

(*) Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS *in* EUR

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Bonds and similar securities				
Bonds and similar securities traded on a regulated or similar market				
GERMANY				
GERMANY 1.50% 02/23	EUR	700 000	743 119,77	10,26
TOTAL GERMANY			**743 119,77**	**10,26**
FRANCE				
FRAN GOVE BON 0.25% 25-11-26	EUR	2 250 000	2 366 090,60	32,69
TOTAL FRANCE			**2 366 090,60**	**32,69**
TOTAL Bonds and similar securities traded on a regulated or similar market			**3 109 210,37**	**42,95**
TOTAL Bonds and similar securities Undertakings for collective investment			**3 109 210,37**	**42,95**
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD ACT AMERIC PC-EUR	EUR	1 038	306 697,86	4,24
LAZARD ACT AMERIC PC H-EUR	EUR	725	186 680,25	2,58
LAZARD ACTIONS EMERGENTES	EUR	73	106 532,55	1,47
Lazard Actions Emergentes I	EUR	1	78 686,58	1,09
LAZARD ACTIONS EURO IC	EUR	513	361 639,35	4,99
LAZARD CAPITAL FI PVC EUR	EUR	140	289 557,80	4,00
LAZARD CREDIT FI PVC EUR	EUR	26	434 383,82	6,00
LAZARD EURO CORP HIGH YIELD PC EUR	EUR	76	138 826,92	1,93
LAZARD EURO CREDIT	EUR	933	1 364 325,90	18,85
LAZARD EURO SHORT DURATION IC	EUR	103	462 752,22	6,39
LAZARD FUNDS SICAV LAZARD CREDIT OPPORTUNITIES PC EUR	EUR	33	43 937,52	0,61
LAZARD JAPON A Act -A-	EUR	478	101 570,22	1,40
TOTAL FRANCE			**3 875 590,99**	**53,55**
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			**3 875 590,99**	**53,55**
TOTAL Undertakings for collective investment			**3 875 590,99**	**53,55**
Forward financial instruments				
Futures contracts				
Futures contracts on a regulated or equivalent market				
XEUR FGBM BOB 0321	EUR	20	1 800,00	0,02
TOTAL Futures contracts on a regulated or equivalent market			**1 800,00**	**0,02**
TOTAL Futures contracts			**1 800,00**	**0,02**
TOTAL Forward financial instruments			**1 800,00**	**0,02**
Margin call				
CACEIS MARGIN CALL	EUR	-1 800	-1 800,00	-0,02
TOTAL Margin call			**-1 800,00**	**-0,02**
Receivables			**19 529,80**	**0,27**
Liabilities			**-3 148,46**	**-0,05**
Financial accounts			**237 141,63**	**3,28**
Net assets			**7 238 324,33**	**100,00**

LAZARD PATRIMOINE MODERATO "PD" EUR shares	**EUR**	**1,000**	**1 035,24**
LAZARD PATRIMOINE MODERATO "RC" EUR shares	**EUR**	**1,000**	**1 035,28**
LAZARD PATRIMOINE MODERATO "PC" EUR shares	**EUR**	**6 188,890**	**1 169,23**

ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS

Breakdown of interest: LAZARD PATRIMOINE MODERATO “PD” EUR shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	0,81	EUR	0,81	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses	0,88	EUR	0,88	EUR
TOTAL	1,69	EUR	1,69	EUR

LAZARD MULTI ASSETS
French open-end investment company (Société d'Investissement à Capital Variable)
121, Boulevard Haussmann - 75008 Paris, France
882 094 428 Paris Trade and Companies Register PARIS

RESOLUTION ON THE ALLOCATION OF DISTRIBUTABLE INCOME FOR THE FINANCIAL YEAR OF THE LAZARD PATRIMOINE MODERATO SUB-FUND

FOR THE FINANCIAL YEAR ENDED DECEMBER 31ST, 2020

Second resolution

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

€1 184,65 distributable amount pertaining to net income
€6 069,18 distributable amount pertaining to net capital gains and losses

and decides that they shall be allocated as follows:

3- Distributable amount pertaining to net income
- PD EUR shares: Distribution: 0,81
- RC EUR shares: Accumulation: 0,81
- PC EUR shares: Accumulation: 1 183,03

Each shareholder holding "PD EUR" shares on the detachment date will receive a dividend of €0,81.

4- Distributable amount pertaining to net capital gains and losses
- PD EUR shares: Distribution: 0,88
- RC EUR shares: Accumulation: 0,88
- PC EUR shares: Accumulation: 6 067,42

As this is the first financial year, no income has yet been distributed.

LAZARD PATRIMOINE OPPORTUNITIES SRI

Key Investor Information
This document provides essential information for investors in this sub-fund. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this sub-fund. You are advised to read it so you can make an informed decision about whether to invest.

LAZARD PATRIMOINE OPPORTUNITIES SRI

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0007028543 - RC EUR

Investment objective and policy

Investment objective: The investment objective is to achieve a return (net of charges) higher than the following composite benchmark index over the recommended investment period of five years: 50% ICE BofAML Euro Broad Market; 50% MSCI World AC, applying a Socially Responsible Investment (SRI) management approach. The benchmark index is rebalanced every month and its components are expressed in euro, dividends or net coupons reinvested.

Investment policy: The Sub-fund's assets are allocated on a discretionary basis in order to optimise the portfolio's risk/return ratio, with a dynamic portfolio allocation as part of a tactical approach taking into account changes over the short and medium-term (horizon of a few weeks and a few months, respectively). Medium-term tactical adjustments are based on our fundamental analysis of the global economic cycle, growth in the main geographical regions, and the valuation of the different asset classes and markets. The aim is to generate returns by taking advantage of relative changes in situation in the different asset classes (equities, fixed-income, credit, forex). Short-term tactical adjustments are based on an analysis of the different risks that can impact the behaviour of the assets in the short term. These two tactical management approaches, involving a short- and medium-term horizon, are complementary and decorrelated.

The strategic allocation is mainly comprised of bonds and money market instruments, with added impetus through exposure to the equity markets.

The portfolio may be invested in investment grade government and corporate bonds or bonds with an equivalent rating based on the management company's analysis, speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis, or in unrated bonds, convertible bonds, equities of companies of any market capitalisation located in the Eurozone and/or internationally, debt securities, money market instruments, and UCIs invested in these asset classes, within the following limits:

- between 0 and a maximum of 100% of the net assets will be invested in debt securities and money market instruments;
- between 0 and a maximum of 100% of the net assets will be invested in government debt;
- between 0 and a maximum of 100% of the net assets will be invested in corporate debt;
- a maximum of 50% of the net assets will be invested in speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis or unrated bonds;
- a maximum of 25% of net assets will be invested in convertible bonds;
- a maximum of 20% of net assets will be invested in contingent convertible bonds (CoCos);
- a maximum of 10% of the net assets will be invested in UCIs that in turn invest no more than 10% of their assets in other UCIs. These UCIs may be managed by the management company.

The sub-fund's overall exposure to equity risk will be maintained between 20 and a maximum of 80% of the sub-fund's net assets (including via derivatives). Exposures to emerging equities and small cap equities are limited to 20% respectively. The Sub-fund's overall exposure to interest rate risk will be maintained within a sensitivity range of -5 to +10.

The Sub-fund's exposure to foreign exchange risk will be limited to 70% of the assets.

As part of SRI management, equity and bond analysts-managers analyse portfolio companies using extra-financial criteria.

This study is carried out by taking environmental, social and governance factors into account using a proprietary model shared by the equity and bond teams. The sector analysts-managers thus establish an internal ESG rating of between 1 and 5 (5 being the best rating) for each company based on both a qualitative and quantitative approach. This internal ESG analysis covers at least 90% of the fund's investments.

SRI equity selection process: the analyst-manager in charge of the equities compartment ensures that the compartment's ESG rating remains higher than the average of the top 80% ratings in the MSCI World Developed index. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris.

SRI bond selection process: for corporate issues (including financial issues), the analyst-manager in charge of the bond compartment ensures that an ESG rating higher than the average of the top 80% ratings of a composite index made up of 90% of the ICE ER00 and 10% of the ICE HEAE is maintained over the long term. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. In terms of sovereign and quasi-sovereign issues, the fixed income team mainly favours those that fall within the scope of the SRI assets covered by the label ("green bonds" in particular).

The Sub-fund may use futures, options, swaps and forward foreign-exchange contracts on regulated, organised and/or OTC markets to hedge and/or expose the portfolio and thus bring the Sub-fund's exposure above the level of its net assets. The portfolio is exposed to equity, interest rate, credit and foreign exchange risk, calculated based on the absolute VaR. The VaR corresponds to the potential loss in 99% of cases over a horizon of 20 working days under normal market conditions. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

Up to 100% of the Sub-fund's assets may be invested in securities with embedded derivatives.

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

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within five years.

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

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily order reception and daily centralisation of redemption orders before 11.00 p.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

Risk and reward profile

For a lower risk, a potentially lower return — With higher risk, a potentially higher return

- 1 2 3 **5** 6 7 +

(- 1 2 3 4 **5** 6 7 +)

Description of the indicator and its main limits:
The diversified exposure to the equities market and foreign currency risk explains the UCI's classification in this category.
The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

Other sizeable risks not taken into account in the indicator:

- Credit risk: Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- Counterparty risk: Risk of failure by a counterparty leading it to default on payment.
- Derivatives risk: The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

LAZARD
FRÈRES GESTION

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LAZARD PATRIMOINE OPPORTUNITIES SRI

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0013409463 - PC EUR shares

Investment objective and policy

Investment objective: The investment objective is to achieve a return (net of charges) higher than the following composite benchmark index over the recommended investment period of five years: 50% ICE BofAML Euro Broad Market; 50% MSCI World AC, applying a Socially Responsible Investment (SRI) management approach. The benchmark index is rebalanced every month and its components are expressed in euro, dividends or net coupons reinvested.
Investment policy: The Sub-fund's assets are allocated on a discretionary basis in order to optimise the portfolio's risk/return ratio, with a dynamic portfolio allocation as part of a tactical approach taking into account changes over the short and medium-term (horizon of a few weeks and a few months, respectively). Medium-term tactical adjustments are based on our fundamental analysis of the global economic cycle, growth in the main geographical regions, and the valuation of the different asset classes and markets. The aim is to generate returns by taking advantage of relative changes in situation in the different asset classes (equities, fixed-income, credit, forex). Short-term tactical adjustments are based on an analysis of the different risks that can impact the behaviour of the assets in the short term. These two tactical management approaches, involving a short- and medium-term horizon, are complementary and decorrelated.
The strategic allocation is mainly comprised of bonds and money market instruments, with added impetus through exposure to the equity markets.
The portfolio may be invested in investment grade government and corporate bonds or bonds with an equivalent rating based on the management company's analysis, speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis, or in unrated bonds, convertible bonds, equities of companies of any market capitalisation located in the Eurozone and/or internationally, debt securities, money market instruments, and UCIs invested in these asset classes, within the following limits:
- between 0 and a maximum of 100% of the net assets will be invested in debt securities and money market instruments;
- between 0 and a maximum of 100% of the net assets will be invested in government debt;
- between 0 and a maximum of 100% of the net assets will be invested in corporate debt;
- a maximum of 50% of the net assets will be invested in speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis or unrated bonds;
- a maximum of 25% of net assets will be invested in convertible bonds;
- a maximum of 20% of net assets will be invested in contingent convertible bonds (CoCos);
- a maximum of 10% of the net assets will be invested in UCIs that in turn invest no more than 10% of their assets in other UCIs. These UCIs may be managed by the management company.
The sub-fund's overall exposure to equity risk will be maintained between 20 and a maximum of 80% of the sub-fund's net assets (including via derivatives). Exposures to emerging equities and small cap equities are limited to 20% respectively. The Sub-fund's overall exposure to interest rate risk will be maintained within a sensitivity range of -5 to +10.
The Sub-fund's exposure to foreign exchange risk will be limited to 70% of the assets.

As part of SRI management, equity and bond analysts-managers analyse portfolio companies using extra-financial criteria.
This study is carried out by taking environmental, social and governance factors into account using a proprietary model shared by the equity and bond teams. The sector analysts-managers thus establish an internal ESG rating of between 1 and 5 (5 being the best rating) for each company based on both a qualitative and quantitative approach. This internal ESG analysis covers at least 90% of the fund's investments.

SRI equity selection process: the analyst-manager in charge of the equities compartment ensures that the compartment's ESG rating remains higher than the average of the top 80% ratings in the MSCI World Developed index. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris.

SRI bond selection process: for corporate issues (including financial issues), the analyst-manager in charge of the bond compartment ensures that an ESG rating higher than the average of the top 80% ratings of a composite index made up of 90% of the ICE ER00 and 10% of the ICE HEAE is maintained over the long term. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris. In terms of sovereign and quasi-sovereign issues, the fixed income team mainly favours those that fall within the scope of the SRI assets covered by the label ("green bonds" in particular).

The Sub-fund may use futures, options, swaps and forward foreign-exchange contracts on regulated, organised and/or OTC markets to hedge and/or expose the portfolio and thus bring the Sub-fund's exposure above the level of its net assets. The portfolio is exposed to equity, interest rate, credit and foreign exchange risk, calculated based on the absolute VaR. The VaR corresponds to the potential loss in 99% of cases over a horizon of 20 working days under normal market conditions. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

Up to 100% of the Sub-fund's assets may be invested in securities with embedded derivatives.

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

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within five years.

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

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
Daily order reception and daily centralisation of redemption orders before 11.00 p.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

Risk and reward profile

For a lower risk,
a potentially lower return

With higher risk,
a potentially higher return

- 1 2 3 4 **5** 6 7 +

Description of the indicator and its main limits:
The diversified exposure to the equities market and foreign currency risk explains the UCI's classification in this category.
The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

Other sizeable risks not taken into account in the indicator:

- Credit risk: Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- Counterparty risk: Risk of failure by a counterparty leading it to default on payment.
- Derivatives risk: The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

LAZARD
FRÈRES GESTION

Key Investor Information

This document provides essential information for investors in this Sub-fund. It is not marketing material. The information it contains is required by law to help you understand the nature and the risks of investing in this Sub-fund. You are advised to read it so you can make an informed decision about whether to invest.

LAZARD PATRIMOINE OPPORTUNITIES SRI

A sub-fund of the LAZARD MULTI ASSETS SICAV

LAZARD FRERES GESTION SAS

FR0012620342 - PD EUR

Investment objective and policy

Investment objective: The Fund aims to outperform the following composite benchmark index net of charges over a recommended investment period of five years: 50% ICE BofAML Euro Broad Market; 50% MSCI World AC, applying a Socially Responsible Investment (SRI) management approach. The benchmark index is rebalanced every month and its components are expressed in euro, dividends or net coupons reinvested.

Investment policy: The Sub-fund's assets are allocated on a discretionary basis in order to optimise the portfolio's risk/return ratio, with a dynamic portfolio allocation as part of a tactical approach taking into account changes over the short and medium-term (horizon of a few weeks and a few months, respectively). Medium-term tactical adjustments are based on our fundamental analysis of the global economic cycle, growth in the main geographical regions, and the valuation of the different asset classes and markets. The aim is to generate returns by taking advantage of relative changes in situation in the different asset classes (equities, fixed-income, credit, forex). Short-term tactical adjustments are based on an analysis of the different risks that can impact the behaviour of the assets in the short term. These two tactical management approaches, involving a short- and medium-term horizon, are complementary and decorrelated.

The strategic allocation is mainly comprised of bonds and money market instruments, with added impetus through exposure to the equity markets.

The portfolio may be invested in investment grade government and corporate bonds or bonds with an equivalent rating based on the management company's analysis, speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis, or in unrated bonds, convertible bonds, equities of companies of any market capitalisation located in the Eurozone and/or internationally, debt securities, money market instruments, and UCIs invested in these asset classes, within the following limits:

- between 0 and a maximum of 100% of the net assets will be invested in debt securities and money market instruments;
- between 0 and a maximum of 100% of the net assets will be invested in government debt;
- between 0 and a maximum of 100% of the net assets will be invested in corporate debt;
- a maximum of 50% of the net assets will be invested in speculative/high yield bonds or bonds with an equivalent rating based on the management company's analysis or unrated bonds;
- a maximum of 25% of net assets will be invested in convertible bonds;
- a maximum of 20% of net assets will be invested in contingent convertible bonds (CoCos);
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The sub-fund's overall exposure to equity risk will be maintained between 20 and a maximum of 80% of the sub-fund's net assets (including via derivatives). Exposures to emerging equities and small cap equities are limited to 20% respectively. The Sub-fund's overall exposure to interest rate risk will be maintained within a sensitivity range of -5 to +10.

The Sub-fund's exposure to foreign exchange risk will be limited to 70% of the assets.

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This study is carried out by taking environmental, social and governance factors into account using a proprietary model shared by the equity and bond teams. The sector analysts-managers thus establish an internal ESG rating of between 1 and 5 (5 being the best rating) for each company based on both a qualitative and quantitative approach. This internal ESG analysis covers at least 90% of the fund's investments.

SRI equity selection process: the analyst-manager in charge of the equities compartment ensures that the compartment's ESG rating remains higher than the average of the top 80% ratings in the MSCI World Developed index. To cover the largest proportion of companies of the universe, the analyst-manager uses an external ESG rating of 0 to 100 corresponding to a weighted average (50% for Environment, 25% for Social and 25% for Governance) of the absolute E, S and G ratings provided by Vigeo Eiris.

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The Sub-fund may use futures, options, swaps and forward foreign-exchange contracts on regulated and/or organised and/or OTC markets to hedge and/or expose the portfolio and thus bring the Sub-fund's exposure above the level of its net assets. The portfolio is exposed to equity, interest rate, credit and foreign exchange risk, calculated based on the absolute VaR. The VaR corresponds to the potential loss in 99% of cases over a horizon of 20 working days under normal market conditions. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

Up to 100% of the Sub-fund's assets may be invested in securities with embedded derivatives.

Allocation of distributable income:

Allocation of net income: Distribution

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

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within five years.

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

Business day	Day of establishment of the NAV (D)	Next business day following valuation day (D+1)	Two business days following the valuation day (D+2)
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Risk and reward profile

For a lower risk, a potentially lower return

With higher risk, a potentially higher return

\- 1 2 3 **5** 4 6 7 +

Description of the indicator and its main limits:

The diversified exposure to the equities market and foreign currency risk explains the UCI's classification in this category.

The historical data used could result in an unreliable indication of the sub-fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with a risk-free investment. Capital is not guaranteed.

Other sizeable risks not taken into account in the indicator:

- Credit risk: Potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall.
- Liquidity risk: Risk associated with the low liquidity of the underlying markets, rendering them sensitive to large buy and sell movements.
- Counterparty risk: Risk of failure by a counterparty leading it to default on payment.
- Derivatives risk: The use of such financial instruments may increase the risk of loss.

The occurrence of any of these risks may result in a decrease in the Sub-fund's net asset value. The other risks are indicated in the prospectus.

14. CHANGES AFFECTING THE UCI

On June 26th, 2020, the Board of Directors of the **LAZARD MULTI ASSETS** SICAV (SICAV with sub-funds) decided the following:

- SRI labelling of the Lazard Patrimoine and Lazard Patrimoine Opportunities sub-funds: The change of name of the two sub-funds to LAZARD PATRIMOINE SRI and LAZARD PATRIMOINE OPPORTUNITIES SRI.
- The conversion of PC USD shares (not hedged against foreign exchange risk) into PC H- USD shares hedged against foreign exchange risk.

Effective date: 10/08/2020.

Corporate governance (CSR) section

IX. List of appointments

Directors' names	Number of offices held	List of offices and functions
Matthieu Grouès *Managing Director of Lazard Frères Gestion SAS*	2	Chairman and Chief Executive Officer of Lazard Alpha Allocation Chairman of the Board of Directors of Lazard Multi Assets *(SICAV with sub-funds)*
Guilaine Perche *Vice President of Lazard Frères Gestion SAS*	3	Chief Executive Officer of Lazard Multi Assets *(SICAV with sub-funds)* ■ Director of the SICAVs: . Norden Family . Lazard Convertible Global
Santillane Coquebert de Neuville *Senior Vice President of Lazard Frères Gestion SAS*	1	Director of Lazard Multi Assets *(SICAV with sub-funds)*
Isabelle Lascoux *Associate of Lazard Frères Gestion*	3	■ Director of the SICAVs: . Lazard Patrimoine Croissance . Gamica . Lazard Multi Assets (SICAV with sub-funds)
Colin Faivre *Vice President of Lazard Frères Gestion SAS*	3	Deputy CEO and Director of the SICAV Lazard Alpha Allocation ■ Director of the SICAVs: . Lazard Convertible Global . Lazard Multi Assets (*SICAV with sub-funds)*
Stéphanie Fournel *Associate of Lazard Frères Gestion SAS*	2	■ Director of the SICAVs: . Lazard Financial Debt . Lazard Multi Assets (SICAV with sub-funds)

X. Agreements covered by Article L.225-37-4 para.2 of the French Commercial Code (Code de commerce)

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 December 31st, 2020.

XI. 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 December 31st, 2020.

XII. Method of operation of the general management

The Board of Directors did not decide to separate the functions of Chairman from that of Chief Executive Officer, and will therefore be headed up by the Chairman and Chief Executive Officer.

15. MANAGEMENT REPORT

PERFORMANCE

The portfolio's performance over the period was:
- **RC shares: 3,72%,**
- **PD shares: 4,48%,**
- **PC shares: 4,36%.**

The benchmark's performance over the period was as follows: +5,84%.

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

ECONOMIC ENVIRONMENT

Economy

2020 was an extraordinary year. The Covid-19 pandemic triggered a sharp economic downturn in the first half of the year, with governments adopting drastic measures to slow the spread of the virus and ease the pressure on health systems. The improvement in the health situation then led to a gradual lifting of restrictions from mid-February in China and from April in the United States and Europe, driving a strong rebound in global activity in the third quarter. That said, activity levels remained below pre-pandemic levels. The pace of the recovery slowed in the fourth quarter, especially in Europe where lockdown measures were reintroduced. Encouraging news on vaccines, however, pointed to a way out of the crisis. Against this backdrop, central banks and governments implemented support measures on an unprecedented scale. These measures helped limit the impact of the crisis on the financial situation of the private sector, at the cost of a significant increase in budget deficits.

In the United States, GDP fell by 9,0% year-on-year in Q2 2020. The unemployment rate rose from 3,6% to 6,7% with a peak of 14,8% in April. Inflation over one year slowed from +2,3% to +1,4% in headline terms and from +2,3% to +1,6% excluding food and energy. The Federal Reserve announced a raft of support measures: a cumulative cut in its key rate of 150 basis points to 0%-0,25%, a programme of unlimited purchases of Treasury bills and mortgage-backed securities, and a programme of loans to businesses and local authorities. In September, Jerome Powell said that the Fed would tolerate inflation in excess of 2% to compensate for periods of lower inflation. The US Congress adopted two massive fiscal stimulus packages: a first package of 10,7% of GDP in March and a second package of 4,3% of GDP in December. Democratic candidate Joe Biden won the presidential election. The Democrats retained their majority in the House of Representatives and took control of the Senate.

In the Eurozone, GDP declined by -4,3% year-on-year in Q3 2020. By country, it fell by 4,0% in Germany, by 3,9% in France, by 5,0% in Italy and by 9,0% in Spain. The unemployment rate rose from 7,4% to 8,3% with a peak of 8,7% in February. Inflation over one year slowed from +1,3% to -0,3% in headline terms and from +1,3% to +0,2% excluding food and energy. In March, the ECB announced a €120bn increase in its asset purchase programme (APP) and a new €750bn pandemic emergency purchase programme (PEPP). The PEPP was increased by €600bn in June and by €500bn in December, bringing the total envelope to €1850 bn. The terms of the targeted longer-term refinancing operations (TLTRO), offering funding at negative interest rates, were adjusted. In July, EU countries reached an agreement on a European recovery plan of €750 billion, equivalent to 5,4% of GDP.

In China, GDP grew by +4,9% year-on-year in Q3 2020. In November, industrial production rose by 7,0% year-on-year, investment by 9,7% and retail sales by 6,1% in volume. The unemployment rate was stable at 5,2% with a peak of 6,2% in February. Inflation over one year slowed from +4,5% to +0,2% in headline terms, due mainly to a slowdown in pork prices, and from +1,4% to +0,4% excluding food and energy. The Chinese central bank notably cut its key interest rate by 30 basis points to 2,95% and reduced the reserve requirement ratio by 50 basis points for banks to 12,50% for large banks and 10,50% for small and medium-sized banks. The government announced support measures amounting to 4,7% of GDP.

Markets

Equity markets had started 2020 rather well, driven by the easing of US-China trade tensions and the first signs of an economic recovery. They collapsed from the end of February, when the coronavirus outbreak in China spread to the rest of the world. The movement was extremely drastic and very rapid, with the Euro Stoxx losing almost 40% in just one month.

After plummeting in the first quarter, equity markets rebounded strongly in the second quarter, thanks to the lifting of restrictive measures in Europe and the United States, the recovery of global activity and the strengthening of monetary and fiscal support measures. At the end of June, the equity markets had recouped their losses to a large extent.

With hopes of further support measures and progress on the vaccine front, the catch-up continued at the beginning of the third quarter. It was interrupted by a correction in September on the back of a sharp decline in US technology stocks and fears about further lockdowns in Europe, amid political uncertainty in the United States.

Equity markets then went on to post exceptional performances in the fourth quarter, with good news on vaccines, the approval of a new fiscal stimulus package in the United States and the Brexit deal trumping the reintroduction of lockdown measures in Europe.

All in all, the MSCI World All Country index in dollars gained 14,3% over 12 months. That said, this masks significant differences between markets. The S&P 500 in dollars rose by 16,3% over one year, while the Euro Stoxx in euros fell by 1,6%.

In the bond market, government bond yields fell. The US 10-year Treasury rate fell from 1,92% to 0,91%, with an all-time low of 0,51% on 4 August, and the German 10-year yield fell from -0,19% to -0,57%, with an all-time low of -0,86% on 9 March. Peripheral countries' credit spreads relative to Germany tightened sharply in Italy (-48 basis points) and in Greece (-46 basis points), while they remained more or less stable in Spain (-4 basis points) and Portugal (-3 basis points).

In the European credit segment, credit margins widened significantly in the first quarter of 2020 before tightening sharply. According to the ICE Bank of America indices, they rose from 94 basis points to 93 basis points year-on-year for high-quality issuers, with a high of 234 in early April, and from 308 basis points to 355 basis points for high-yield issuers, with a high of 866 in late March.

On the foreign exchange market, the euro appreciated by 8,9% against the dollar, by 3,6% against the yen and by 5,7% against the pound sterling. It depreciated by 0,4% against the Swiss franc. Emerging currencies depreciated on average by 5,8% against the dollar according to the JPMorgan index.

Turning to commodities, the price of a barrel of Brent fell by 23% over the year, from \$66 to \$51, with a low point of \$19 on April 21st.

MANAGEMENT POLICY

Tactical management

Underpinned by reduced trade uncertainty and signs of stabilisation in global growth, risky assets got off to a good start and peaked around 20th January. The coronavirus epidemic in China then triggered a turnaround over concerns of a major economic impact on Chinese growth and a knock-on effect on global growth. In January, dividends reinvested, the MSCI Emerging Markets Index fell by 4,7% (in dollars), the Topix by 2,1% (in yen) and the Euro Stoxx by 1,7%. The S&P 500 was stable in dollar terms. These concerns supported the BofAML index of Eurozone government bonds (+2,4%) while driving down the German 10-year yield (-25 basis points). Credit held up well. The iBoxx investment grade corporate bond index rose 1,2% while the iBoxx financial subordinated debt and euro liquid high yield indices were up 0,6% and 0,1%, respectively. The euro depreciated by 1,1% against the dollar and by 1,3% against the yen.
We maintained our asset allocation during the month.

After a positive start to the month, equity markets turned around sharply when the coronavirus epidemic started to spread outside China, notably in South Korea and Italy. In February, dividends reinvested, the S&P 500 fell by 8,3%, the MSCI Emerging Markets Index by 5,3% (in dollars for both indices), the Euro Stoxx by 7,9% and the Topix by 10,3% (in yen). The equity correction was accompanied by a fall in German and US government bond yields (-17bp and -36bp, respectively, for the 10-year yields), while Eurozone peripheral spreads and credit spreads widened sharply. The ICE BofAML Eurozone government bond index gained 0,4% while credit fell. The iBoxx investment grade corporate bond index fell 0,4% while the iBoxx financial subordinated debt and euro liquid high yield indices were down 1,0% and 2,0%, respectively. The euro depreciated by 0,7% against the dollar and by 0,9% against the yen.
The rise of Covid-19 cases outside China has raised fears of a global spread of the epidemic and a disruption of global production chains. We reduced our exposure to US and euro equities by 7,2% each (CAC 40 at 6058). At the beginning of the month, we halved the fund's negative sensitivity to US government yields (+1 point, 10-year at 1,49) and raised the sensitivity to German government yields (+2 points, 10-year at -0,49). As the fall in the last week of the month was excessive in our view, we increased our exposure to US and euro equities by 3,6% each (CAC 40 at 5230) on the very last day of the month. The index's month-end rebalancing also led us to add 1,5% to euro equities (CAC 40 at 5310).

The spread of the epidemic in Europe, then in the United States and around the world, and the containment measures put in place, led to real panic in the financial markets. The colossal measures announced by governments to support companies and households during the halt in activity even drove yields up over a period of a few days, adding to the rout of equities and corporate bonds that of government bonds. The massive intervention by central banks to buy bonds then enabled bond yields to drop. Equities picked up at the end of the month in response to the scale of the fiscal and monetary measures announced. In March, dividends reinvested, the S&P 500 posted a performance of -12,4% in dollars, the EuroStoxx of -16,9% in euros, the Topix of -6,0% in yen and the MSCI Emerging Markets index of -15,3% in dollars. The euro was stable against the dollar and lost 0,4% against the yen. 10-year government bond yields fluctuated by -48 basis points in the US and by +14 basis points in Germany. All euro-denominated bond indices were down: -3,4% for the BofAML Euro Government Index, -6,9% for the iBoxx investment grade bond index, -9,0% for the subordinated financial bond index and -13,3% for the iBoxx EUR liquid high yield index.
After a 30% decline, we felt that the correction in equities was becoming disproportionate compared with the foreseeable impact on company earnings, which should be heavily impacted over one or two quarters before rebounding sharply thereafter. We increased our positions in US and Eurozone equities by 3,6% each (CAC 40 at 4380). In the second half of the month, we reduced the fund's sensitivity by -1,0 points (German 10-year at -0,24), anticipating an increase in public debt issuance to finance fiscal stimulus measures, leading to a rise in interest rates in an environment where the ECB, favouring other tools, seemed reluctant to lower its key rates further. Lastly, we increased our positions in US equities by 3,2% and in euro equities by 1,6% (CAC 40 at 4400) as part of the month-end index rebalancing.

Equity markets rebounded sharply in April, buoyed by signs of activity restarting in China, the prospect of an exit from lockdown in Europe and the United States as the epidemic situation improves, massive monetary and fiscal responses around the world, and the hope of a treatment for COVID-19. These factors relegated the bad economic figures to the background. Dividends reinvested, the S&P 500 rose by 12,8% in dollars, the Euro Stoxx by 6,5% in euros, the Topix by 4,3% in yen and the MSCI Emerging Markets index by 9,2% in dollars. The euro depreciated by 0,7% against the dollar and by 1,0% against the yen. 10-year government bond yields fell by 3 basis points in the United States and by 12 basis points in Germany. Euro-denominated bond indices were up: +0,4% for the BofAML Euro Government Index, +3,7% for the iBoxx investment grade bond index, +5,9% for the subordinated financial bond index and +6,2% for the iBoxx EUR liquid high yield index.
At the beginning of the month, judging that the lockdown was likely to end in the coming weeks and that the support and stimulus measures announced or to come in the United States should drive interest rates up, we accentuated the negative sensitivity to US 10-year interest rates (-0,8 points to 0,76). Lastly, we reduced our positions in euro and US equities by 2,1% each as part of the month-end index rebalancing (CAC 40 at 4572).

The rebound in global equity markets continued in May, despite renewed US-China tensions. Investors welcomed the lifting of lockdown measures in Europe and the United States, with no upturn in coronavirus cases in the countries that were the first to exit lockdown, the confirmation of the economic recovery in China, and the €750bn stimulus plan presented by the European Commission. Dividends reinvested, the Euro Stoxx rose by +5,2% in euros, the S&P 500 by +4,8% in dollars, the Topix by +6,8% in yen and the MSCI Emerging Markets index by +0,8% in dollars. 10-year government bond yields rose by 14 basis points in Germany and were stable in the United States. The euro appreciated by +1,3% against the dollar and by +2,0% against the yen. Euro-denominated bond indices rose, notably the iBoxx liquid high yield index, up 2,9%. The BofAML Eurozone government bond index and the iBoxx investment grade corporate bond and financial subordinated indices rose between +0,2% and +0,3%.
At the end of the month, we decreased the fund's exposure to euro equities by 1,5% as part of the index rebalancing (CAC 40 at 4695).

Risky assets started the month up sharply, supported by better-than-expected economic figures, the ECB's announcement of increased asset purchases, and the announcement of a recovery plan in Germany. The trend then reversed as new coronavirus cases surged in a number of southern and western US states. Subsequently, the markets fluctuated in line with hopes of economic recovery, a new stimulus package in the United States and fears of a resurgence of the epidemic. All in all, dividends reinvested, the Euro Stoxx rose by +4,9% in euros, the S&P 500 by +2,0% in dollars, and the MSCI Emerging Markets index by +7,4% in dollars. The Topix fell by -0,2% in yen. German and US 10-year government bond yields were broadly stable. The euro appreciated by +1,3% against the dollar and yen. Euro-denominated bond indices were up: +1,0% for the BofAML Euro Government Index, +1,3% for the iBoxx investment grade corporate bond index, +1,2% for the financial subordinated bond index and +1,8% for the high yield bond index.

At the end of the month, we set up a compartment of international equities of developed countries, managed directly and including Japanese and UK equities. Exposure to emerging equities continues to be taken via futures contracts.

Risky assets performed well in July, underpinned by better-than-expected economic reports, expectations of further support measures and progress in the search for a vaccine against Covid-19. These factors outweighed concerns about the epidemic's spread across the United States and the resurgence of China-US tensions. The equity markets moved in different directions: Dividends reinvested, the S&P 500 rose by 5,6% in dollars and the MSCI Emerging Markets index by 8,9% in dollars. The Euro Stoxx fell by 0,9% in euro and the Topix by 4,0% in yen. The euro appreciated sharply against the dollar (+4,8%) and against the yen (+2,9%). German and US 10-year government bond yields fell while euro bond indices rose: +1,1% for the BofAML Euro Government Index and +1,5% for the iBoxx investment grade corporate bond index, the financial subordinated bond index and the high yield bond index.
At the very end of the month, we took a profit on US equities, in which we reduced our position by -9,8% (S&P 500 at 3255) to bring their weighting in line with that of the index. In parallel, we increased our positions in euro equities by +2,6% (CAC 40 at 4865).

The equity markets posted excellent performances in August against a backdrop of positive economic surprises, better-than-expected results and progress on the development of a COVID vaccine. Although Congress failed to reach an agreement on the budget, US indices reached record highs, largely driven by technology stocks. The epidemic slowed in the United States, supporting the US market, while the European market was held back by the rebound in new cases and the continued appreciation of the euro (+1.3% against the dollar and yen). Dividends reinvested, the S&P 500 rose by +7,2% in dollars, the Euro Stoxx by +3,5% in euros, the Topix by +8,2% in yen and the MSCI Emerging Markets index by +2,2% in dollars. Good economic figures drove government yields up, driving the BofAML index of euro-denominated government bonds down -0,8%. The iBoxx credit indices rose: the investment grade corporate bond index was up 0,2%, the financial subordinated index 1,0%, and the euro liquid high yield index 1,4%.
At the end of the month, we adjusted our dollar exposure by -4,3% (parity at 1,1950).

Risky assets corrected in September, hurt by the fall in US technology stocks, fears of further lockdowns in Europe with the reintroduction of restrictive measures, tensions over Brexit and political uncertainty in the United States. Dividends reinvested, the S&P 500 was down -3,8% in dollars, the Euro Stoxx lost 1,8% in euros, and the MSCI Emerging Markets index fell 1,6% in dollars. The Topix was up 1,3% in yen. The BofAML government bond index rose 1,4%, supported by the fall in the German 10-year yield (-0,13%). The iBoxx corporate bond indices gained 0,3% for investment grade bonds and fell by respectively 0,6% and 0,2% for high yield and financial subordinated bonds. The deteriorating health situation in Europe weighed on the euro (-2,1% against the dollar and -2,2% against the yen).

We transferred the interest-rate sensitivity hedge of the German 5-year and 10-year government bonds to the 30-year (levels of -0,68, -0,49 and -0,05, respectively) and the negative sensitivity of the US 10-year to the 30-year (levels of 0,67 and 1,42, respectively) to reduce the negative carry of these positions and in anticipation of a potential steepening of the yield curve following the Fed Chair's speech announcing tolerance for inflation temporarily exceeding its target. As part of the month-end index rebalancing, we increased exposure to euro equities by 0,4% (CAC 40 at 4803).

Developed country equities experienced a further correction in October, amid uncertainty over the increasing lockdown measures in Europe and the US presidential election. Dividends reinvested, the Euro Stoxx lost 5,7%, the S&P 500 in dollars lost 2,7% and the Topix in yen lost 2,8%. Conversely, the MSCI emerging markets index in dollars rose by 2,1%. The fall in the German 10-year interest rate (-10 basis points) supported the ICE BofA government bond index, which rose by +1,4%. The iBoxx corporate bond indices rose by 0,8% for investment grade, by 0,3% for high yield bonds and by 0,2% for financial subordinated bonds. The euro depreciated by -0,6% against the dollar and by -1,4% against the yen.
As part of the month-end index rebalancing, we increased exposure to euro equities by 0,4% (CAC 40 at 4594).

Risky assets recorded an exceptional performance in November, with the good results of Covid-19 vaccines giving hope for a lasting recovery in activity as the epidemic ebbs away. The improved economic outlook took priority over the strengthening of lockdown measures in Europe. Joe Biden's victory in the US presidential election was also well received. Dividends reinvested, the Euro Stoxx rose by +17,0% in euros, the S&P 500 by +10,9% in dollars, the Topix by +11,1% in yen and the MSCI Emerging Markets index by +9,2% in dollars. Sector rotation was strong and in favour of cyclical stocks. The ICE BofAML government bond index in euro was virtually flat (+0,1%) despite the 6 basis point tightening of the German 10-year yield. The iBoxx credit indices rose by respectively 4,0% and 2,3% for high yield bonds and subordinated financials and by 1,0% for investment grade. The euro appreciated by +2,4% against the dollar and by +2,0% against the yen.
At the beginning of the month, we accentuated the negative sensitivity to the US 30-year Treasury yield (-1 point to 1,66%), while raising the sensitivity to the German 30-year government bond yield (+1 point to -0,21%) in anticipation of a steepening of the US yield curve. As Joe Biden's victory became clear, we increased our positions in US equities by 4,9% (S&P 500 at 3490) and in euro equities by 2,4% (CAC 40 at 4980). As we considered that the development of a Covid-19 vaccine was the main way back to normal business activity and to re-launch a new phase of economic expansion, Pfizer's announcement of the first positive results prompted us to further strengthen our positions in US equities by 1,6% (S&P at 3630) and in European equities by 0,8% (CAC at 5300). We reallocated the equity compartment by region, reducing the United States by 2,1% and Europe by 1,2% in favour of Japan, +1,1%, and emerging countries, +2,1%. At the end of the month, we partially hedged the dollar for 7,5% of the assets (EUR/USD at 1,1878). As part of the month-end index rebalancing, we trimmed US equities by 1,6% (S&P at 3622) and euro equities by 0,8% (CAC 500 at 5519).

Despite increased health restrictions in Europe and the emergence of a new, apparently more contagious strain of the coronavirus, equity markets continued to rise in December, driven by the start of the vaccination campaigns, the approval of a new fiscal stimulus plan in the United States and the agreement on Brexit. Dividends reinvested, the Euro Stoxx rose by +2,1% in euros, the S&P 500 by +3,8% in dollars, the Topix by +3,0% in yen and the MSCI Emerging Markets index by +7,4% in dollars. The ICE BofAML government bond index in euro was virtually flat (+0,1%) as was the German 10-year yield. The iBoxx credit indices in euro rose by 0,7% for both high yield bonds and subordinated financials and by 0,2% for investment grade. The euro continued to appreciate against the dollar (+2,4%) and against the yen (+1,0%).
At the beginning of the month, we set up a hedge for around one quarter of high yield bond positions following the significant tightening in spreads since the end of October by purchasing protection for 1% of assets (iTraxx Xover at 249). In the middle of the month, we adjusted the fund's exposure to euro equities by -0,6% (CAC 40 at 5571). We further reduced the equity exposure by -0,3% (CAC 40 at 5599) as part of the month-end index rebalancing.

Fixed income management:

January was a more turbulent month than expected due to tensions between the United States and Iran, although the market impact ended up being fairly limited. Coronavirus then became the focus of investor attention, triggering a movement of risk aversion.
Against this backdrop, the German government yield curve flattened during the month, with the 10-year yield down 25bp to -0,44%, the 5-year yield down 16bp to -0,64%, and the 2-year yield down 6bp to -0,67%.

During the month, sentiment on Italy turned positive following the victory of the left-wing party in the Emilia-Romagna regional elections, leading to a 23bp tightening in the spread to 136bp. In other news, Fitch upgraded Greece's country rating from BB- to BB, maintaining its positive outlook.
In the corporate segment, General Electric benefited from its Q4 19 earnings release with the announcement of higher-than-expected cash flow forecasts.
Fears linked to coronavirus had a sharper impact on the curves of issuers with high exposure to Asia, Glencore being a case in point.
In the financials segment, the Monte dei Paschi story seems to be drawing close to a positive outcome, with several sources hinting at a possible agreement between the Italian government and the EU to remove nearly €10bn of bad debts from the bank's balance sheet. Moody's now has a positive opinion on the bank's rating. The first quarterly results announcements were better than expected on the whole, Deutsche Bank's restructuring plan finally seems to be bearing fruit and the latest results have reassured both creditors and shareholders. Conversely, Sabadell's results came in below expectations but its credit profile remains almost unchanged.
Credit presented a mixed picture during the month. Among the riskiest segments, financial credit outperformed non-financial sector bonds. The margin against government bonds tightened by 1bp for senior financial credit and senior corporate credit to 82bp and 88bp, respectively, while it widened by 8bp for subordinated financials to 154bp and by 12bp for IG corporate hybrids to 185bp (ICE BofAML indices).
After a particularly active start to the year, the pace in the primary market slackened in the second half of the month with the return of risk aversion and the start of the blackout period for many issuers. The "Green" format confirmed its momentum and the hybrid segment reopened, with issues by Telefonica, Arkema and EDP. According to Barclays, the primary market excluding covered bonds saw total gross issuance of €48bn of financial bonds and €21bn of corporate bonds.

The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply easing benchmark rates and credit underperformance. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

Despite reassuring economic figures, February was marked by a sharp rise in risk aversion. While China seems to have contained the coronavirus epidemic thanks to drastic measures, its spread outside China is accelerating. As a result, core sovereign markets recorded new lows while peripheral sovereign markets tightened.
Risk premiums tightened up to February 21st before rising sharply in the last week. Unsurprisingly, the sectors hardest hit by the coronavirus, such as auto and leisure, underperformed, as did hybrid debt. The primary market was active despite a shutdown in the last week, with financial issuers Unicredit, Intesa, DB and ING in AT1 format and Piraeus and Alpha Bank in T2 format and non-financial issuers LVMH issuing more than €7bn to finance the purchase of Tiffany.

The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply easing benchmark rates and credit underperformance. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

March was marked by a sharp rise in volatility in the financial markets linked to the collapse in oil prices and the spread of the Covid-19 epidemic worldwide. Concerns focused on the epidemic's impact on growth and, in particular, on the length of the confinement measures put in place for half the world population. PMI indicators confirmed that all countries and sectors were impacted by the halt in activity. The large-scale actions taken by the Fed and the ECB, as well as the announcements of fiscal stimulus packages (stimulus estimated at $2 trillion for the US, €500bn of state-guaranteed loans in Germany, €300bn in France, etc.) made it possible to stabilise the markets at the end of the month.
On the regulatory side, banks benefited from a number of measures: lower capital requirements, postponement of stress tests, Basel 4 postponed by one year, more flexible accounting standards, and so on. In return, European regulators (more or less) demanded that banks do not distribute dividends and stop share buybacks at least until October 2020. Important clarification from the ECB: it has no plans to order banks to suspend interest payments on their hybrid AT1 or Tier 2 debt instruments.
Credit depreciated very sharply over the month. Among the riskiest segments, financial credit outperformed non-financial sector bonds. The margin against government bonds widened by 129bp for senior financial credit and by 116bp for senior corporate credit to 233bp and 221bp, respectively, by 171bp for subordinated financials to 361bp and by 96bp for IG corporate hybrids to 324bp (ICE BofAML indices).

Despite exceptional volatility and a secondary market in disarray, the primary market totalled €46bn in gross issuance. The market was quiet in the first two weeks of March due to concerns about Covid-19, which led to widespread paralysis in the financial markets. However, the various actions taken by central banks and governments helped stabilise the bond markets to some extent, triggering a spectacular recovery in the primary market with a massive wave of issuance in the second half of the month, led by A-rated corporate issuers such as Nestlé, Engie, Unilever, Sanofi and Diageo. In the wake of the healthcare, utilities and agri-food sectors, Investment Grade issuers with more diversified profiles (Carrefour, Saint Gobain, Orange, Airbus, ADP, Daimler, Vonovia, Air Liquide, AB InBev) were also quick to go to the primary market to ensure a sufficient level of liquidity. Overall, demand was extremely strong (order books oversubscribed on average by between x4 and x6) due in particular to very high issuance premiums.

The structure of the bond portfolio was kept virtually unchanged against a backdrop of pressure on benchmark rates and sharp credit underperformance. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

April was marked by a fall in sovereign yields and a sharp tightening in credit risk premiums. This marked rebound in credit was driven by several factors. In terms of flows, the trend reversed with very significant inflows, particularly in IG. In addition, there was better news on the health front, accompanied by new support measures from central banks and also further regulatory relief for banks (leverage ratio, provisioning for doubtful loans benefiting from state guarantees or moratoria linked to the Covid-19 epidemic). After benefiting from the confirmation of its rating by S&P, Italian debt once again came under pressure with Fitch downgrading its rating by one notch to BBB- at the end of April.
The first earnings releases by banks were not as bad as expected: unsurprisingly, the cost of risk increased, particularly for exposures related to the oil sector. Overall, European banks made significant generic provisions, representing more than 50% of the stock of new provisions in Q1, a stock that is based on estimates as uncertainty remains high. Virtually all banks generated profits, albeit sharply declining. Capital ratios are slightly down but remain at high levels. Deutsche Bank reported a slightly better-than-expected net profit thanks to the strong showing of its capital market activities and good cost control, despite the increase in the estimated cost of risk.
The primary market momentum in March was confirmed: the unprecedented intervention by central banks and governments paved the way for a successful reopening of the Investment Grade primary market, which resulted in a record amount of €86bn in April, with a sustained pace, the fastest on record. Issuers rated A and higher, such as Bouygues, Sanofi, Total, represented the majority of the supply, which implies that a large part of the financing taken in April was precautionary. Overall, demand has been very strong, although risk premiums have tended to fall.
Despite a very large volume of primary issues, IG spreads narrowed over the month due to positive technical factors (positive flows in the asset class and ECB purchases). The margin against government bonds tightened by 66bp for senior financial credit to 169 and by 39bp for senior corporate credit to 176bp, by 93bp for subordinated financials to 262bp and by 45bp for IG corporate hybrids to 283bp (ICE BofAML indices).
The structure of the bond portfolio was kept virtually unchanged against a backdrop of pressure on benchmark rates and sharp credit underperformance. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

May was marked by a sharp tightening of risk premiums and a sharp fall in peripheral sovereign yields. The ruling by the German Constitutional Court at the beginning of the month had somewhat dampened investor optimism on peripheral debt. Concerns were finally swept away by several very clear statements on this ruling, on both the German and European sides, as well as by the ECB, which said it was prepared to strengthen its PEPP. The major event was the European Commission's announcement of a recovery plan based on the Macron/Merkel proposal for a €750bn Recovery Fund (of which €500bn in subsidies) financed by debt issued by the Commission. The ECB made substantial purchases to contain Eurozone peripheral yields, with Italian yields easing by 29bp over the month.
In May, the primary market remained very active: issues continued at a frantic pace with gross issuance of €82bn.
As in April, non-financial issuers were the most active and continued to flood the bond markets with issues (€57bn) – Continental, Daimler, Peugeot, EssilorLuxottica, Kering, Nestlé, Siemens, Legrand, WPP, Total, Shell, Klépierre, SAP, Thales, Suez, while issues by financials were on a more normal level. The positive environment in the second half enabled issuers to benefit from significantly lower issue premiums.

For financials, the primary market continued to reopen actively in the Senior and Tier 2 segments with BBVA, RBS, Deutsche Bank, CommerzBank, ING, Crédit Agricole, Swiss Re and Aviva. The AT1 segment remained calm, with only Bank of Ireland refinancing the call of its AT1. Over the month, the margin against government bonds tightened by 21bp for senior financial credit to 148bp and by 14bp for senior corporate credit to 162bp, by 12bp for subordinated financials to 250bp and by 31bp for IG corporate hybrids to 252bp (ICE BofAML indices).
The structure of the bond portfolio was kept virtually unchanged against a backdrop of pressure on benchmark rates and continued credit underperformance. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

The positive momentum in Europe continued in June with the support of the ECB, which surprised the market positively by increasing the size of its PEPP by €600bn and stating that proceeds would be reinvested until at least 2022. In addition, purchasing Fallen Angels remains an option that can be activated if necessary. The dispute between the ECB and the Karlsruhe Court appears to be resolved according to the Bundestag. That said, after a good start to the month, the resumption of the upward trend in the number of Covid-19 cases in the United States made investors nervous.
Against this backdrop, the German government bond yield curve steepened during the month, with the 10-year yield down 1bp to -0,5%, the 5-year yield down 5bp to -0,7%, and the 2-year yield down 3bp to -0,7%. Peripheral sovereign yields continued to ease.
In addition, primary activity in Investment Grade barely slowed, when we had expected a more pronounced deceleration due to seasonality and to a large part of precautionary financing having been completed in the previous two months. The reduction in financial issues was marginal: €53bn in June compared with €57bn in May and €61bn in April. The hybrid market was also active, with notably Volkswagen and the maiden issue by BP. The Green format has also found renewed appeal with investors (Snam, EnBW).
For financials, activity in the primary market was moderate in Senior debt (strong participation in TLTRO-III with €1308bn borrowed at -1%, i.e. €548bn net of redemptions) but very active in bank and insurance subordinated debt, with Hannover Re, Deutsche Bank, Société Générale, CNP, UniCredit, amongst others. In AT1, the market was also dynamic with RBS, ABN, Nationwide, AIB, Legal & General, Commerzbank, the main part corresponding to future call refinancing.
Despite the sizeable primary market volumes, credit appreciated during the month. The margin against government bonds tightened by 21bp for senior financial credit to 128bp and by 18bp for senior corporate credit to 142bp, and by 16bp for subordinated financials to 234bp (ICE BofAML indices). The margin remained unchanged for IG corporate hybrids at 265bp, penalised by volumes in the primary market.
The structure of the bond portfolio is changing against a backdrop of pressure on benchmark rates and continued credit underperformance. We are increasing the weight of corporate issuers at the expense of sovereign issuers. Corporate issuers now represent 70% of the bond portfolio.

In July, the markets maintained their positive momentum, underpinned by the approval of the Recovery Fund at European level, despite dissensions between countries and after four days of marathon negotiations. The plan is a positive element for the cohesion of the European Union in supporting the countries hardest hit by the Covid epidemic. In the last week of July, however, credit was in consolidation mode.
The German government bond yield curve flattened during the month, with the 10-year yield down 7bp to -0,5%, the 5-year yield down 2bp to -0,7%, and the 2-year yield down 2bp to -0,7%.
Financial institutions reported fairly good half-year results. While provisions remain at a high level, many institutions are trying to anticipate the future cost of risk and provided guidance on a reduction in H2-20. The good surprises came from Trading revenue for banks with CIB activities, lower costs and higher capital than expected. The bad news is that net interest income declined despite an increase in loan outstandings, due in particular to the fall in interest rates for banks reporting in $ or £. A number of institutions, amongst which Santander, ING and Société Générale, took advantage of the situation to write down their goodwill or deferred tax credit inventories. The ECB extended its recommendation to banks not to pay dividends until the end of 2020.
Intesa successfully completed its takeover bid for UBI Banca, having obtained 90% of its compatriot's shares.

The primary market remained active, with Bankinter, UBS, Raiffeisen Bank International, Rabobank and BBVA issuing in AT1 format, the latter inaugurating a Green bond. Insurance companies were also active in the Tier 2 category with Hannover Re, Uniqa (Green), CCR Re, Crédit Agricole Assurances and Generali, while Dutch bank De Volksbank also issued a Tier 2 Green bond. Banks are gradually stepping up their issuance of Green capital instruments. Banks' funding needs for the rest of 2020 are relatively minimal.

In the Corporate segment, the primary market is normalising after extremely high volumes in April, May and June (precautionary financing and early financing in response to the extreme market conditions observed in March). According to Barclays, the primary market totalled €17bn in gross issuance of corporate bonds, with only Tennet (the Dutch electricity transmission system operator) issuing a €1bn Green hybrid bond.
Credit appreciated during the month. The margin against government bonds tightened by 20bp for senior financial credit to 109bp and by 21bp for senior corporate credit to 121bp, by 24bp for subordinated financials to 213bp and by only 15bp for IG corporate hybrids to 251bp (ICE BofAML indices).
The structure of the bond portfolio changed very marginally against a backdrop of easing benchmark rates and continued credit outperformance. Corporate issuers now represent 70% of the bond portfolio.

In August, the market rally continued on the back of better news from the United States concerning the Covid-19 pandemic, which now seems to be more under control, and hopes of a potential vaccine, offsetting the disappointment over the Democrats' and Republicans' failure to reach an agreement on the amount of the recovery plan. The positive trend lost momentum in the second half of the month following mixed news in Europe, both with regard to the pandemic with a new acceleration in the number of cases, leading to measures to restrict movement between countries, and on the economic front, with the August PMI figures showing the recovery is starting to flag. Against this backdrop, the German government bond yield curve steepened during the month, with the 10-year yield up 13bp to -0,4%, the 5-year yield up 9bp to -0,63%, and the 2-year yield up 6bp to -0,65%.
Credit appreciated. The margin against government bonds tightened by 13bp for senior financial credit and by 12bp for senior corporate credit to 96bp and 109bp, respectively. Subordinated financials tightened by 27bp to 189bp and IG corporate hybrids tightened by only 15bp to 232bp (ICE BofAML indices).
After the traditional summer break, activity picked up at the end of the month in a fairly unusual way in terms of composition. For corporate issuers, activity was concentrated mainly in the hybrid segment with issues by Total, OMV, Vodafone and Solvay. According to Barclays, monthly primary volumes reached €5,6bn, down 70% compared with August 2019.
The structure of the bond portfolio changed very marginally against a backdrop of rising benchmark rates and continued credit outperformance. Corporate issuers now represent 70% of the bond portfolio.

In September, the deterioration in the health situation and an uncertain political environment (Brexit, US fiscal agreement) led to a sharp increase in risk aversion, resulting in a fall in 10-year sovereign yields and a widening of credit spreads.
The new restrictive measures (Spain, France and the UK) raise concerns about the growth outlook and seriously jeopardise the economic rebound, which is beginning to be reflected in business indicators (disappointing European PMI, particularly for services).
The German government bond yield curve flattened during the month, with the 10-year yield down 13bp to -0,5%, the 5-year yield down 8bp to -0,7%, and the 2-year yield down 5bp to -0,7%.
Credit depreciated over the month. The margin against government bonds widened by 3bp for senior financial credit to 100bp and by 1bp for senior corporate credit to 111bp, by 12bp for subordinated financials to 200bp and by only 9bp for IG corporate hybrids to 241bp (ICE BofAML indices).
The primary market remained active in September with €43bn issued for corporates and €17bn for financials. In the corporate segment, US issuers were the most active in September with in particular the six tranche issue staged by US company Medtronic for €6,25bn. After an unusual month in August, hybrids accounted for 10% of issuance in September, confirming the renewed interest in the segment after a sluggish first half. The theme for the month was clearly the Green/Sustainable/Social format, which accounted for around 20% of volumes over the month. The 16 issues included Green bonds by VW, Daimler, Scania and Royal Schiphol Group, Sustainability bonds by Orange and Adidas and Sustainability-Linked bonds by Chanel and Novartis.
In the real estate sector, Unibail's announcement of its "RESET" plan (capital increase of €3.5bn, restriction of dividends to preserve €1bn in cash and asset disposals) is easing pressure on the stock's curve. In the aeronautics sector, Airbus was impacted by talks of restructuring and announcements of possible postponements of aircraft deliveries for Delta. In the luxury sector, the announcement that LVMH could drop its bid for Tiffany led to a technical downward adjustment of part of the LVMH curve (the 2020 issues having an event call at 100.5).
On the financial side, the M&A theme remained strong in Europe: after Intesa and UBI in Italy, Caixabank's board of directors approved the merger with Bankia, which will hold a 25% market share in loans and 30% in savings in Spain.
The structure of the bond portfolio changed very marginally against a backdrop of easing benchmark rates and credit underperformance. Corporate issuers now represent 77% of the bond portfolio.

October was marked by the deterioration of health indicators and the resulting tightening of restrictive measures. Added to this were the uncertainties surrounding Brexit and the negotiations on fiscal stimulus in the United States. The ECB confirmed further monetary easing for the next meeting in December.
In the United States, the very sharp rebound in growth in the third quarter contributed to a rise in US long-term rates. Renewed risk aversion has led to a decline in 10-year sovereign yields in Europe. The German government bond yield curve flattened during the month, with the 10-year yield down 10bp to -0,63%, the 5-year yield down 11bp to -0,82%, and the 2-year yield down 9bp to -0,79%.
In a context of high volatility, credit held up well but fluctuated in contrasting ways. The margin against government bonds tightened by 7bp for senior financial credit to 104 but widened for senior corporate credit to 101, by 8bp for subordinated financials to 208 and by 12bp for IG corporate hybrids to 253 (ICE BofAML indices). The primary market remained active but with volumes down compared with October 2019, with €22bn issued for corporates and €18bn for financials. The hybrid segment maintained the momentum observed since the beginning of the second half, notably with the double tranche of Eni (inaugural issue) as well as that of Veolia.
The Q3 earnings releases kicked off with fairly good results overall. On the financial side, the M&A theme continued to drive the market, with rumours in Italy of a merger between Banco BPM and Crédit Agricole as well as between UniCredit and Monte dei Paschi (with probably a capital increase of up to €2,5bn). In Spain, discussions on a merger between Liberbank and Unicaja continued, while rumours of a merger between BBVA, Kutxabank and Sabadell emerged.
Over the month, all corporate IG sectors were in the black, with an outperformance by transport (ADP), telecoms (Deutche Telekom, SES), automotive (Daimler, RCI) and property companies (Icade).
In retail, Auchan outperformed after the announcement of the sale of its activities in China and a possible liability management deal despite a lukewarm comment from S&P, which gave itself several weeks to announce its decision on Auchan's rating (BBB-, negative outlook).

The structure of the bond portfolio changed very marginally against a backdrop of easing benchmark rates and credit underperformance. Corporate issuers now represent 77% of the bond portfolio.

November was marked by a strong rebound in appetite for risky assets. Joe Biden's victory led to a deflation of inflationary expectations, which had been on the rise since September in anticipation of a blue wave and therefore a massive stimulus package. Good vaccine news, with several candidates announcing high efficacy rates, allowed investors to factor in a stronger economic rebound in 2021 with the lifting of health restrictions.
Over the month, credit appreciated sharply across all segments and sectors. The margin against government bonds tightened by 18bp for senior financial credit to 87, by 23bp for senior financial credit to 80, by 46bp for subordinated financials to 163 and by 45bp for IG corporate hybrids to 213 (ICE BofAML indices).
The German government bond yield curve shifted in November, with the 10-year yield up 6bp to -0,6%, the 5-year yield up 7bp to -0,8%, and the 2-year yield up 5bp to -0,7%.
Turning to the banking sector, the earnings season ended on the same positive trend with (1) higher net interest income thanks to the ECB-subsidised TLTRO 3, (2) lower costs due to Covid and the absence of travel/events, but most importantly (3) significant positive surprises on loan loss provisions (LLPs) which decreased and were well below expectations. The second positive surprise came from capital, which continued to rise in the third quarter. As a result, banks ended up with higher capital ratios than ever. In M&A, Crédit Agricole made a bid for the Italian bank Credito Valtellinese (and not Banco BPM), and BBVA sold its US branch and started merger talks with Sabadell, but they came to an abrupt end ten days later, for the time being at least. As regards non-financial issuers, those linked to tourism in the broad sense (airlines, airports, hotels) benefited particularly from the welcome news of a vaccine. Real estate companies also benefited from this promising news and continued to outperform as lockdown measures were gradually eased in Europe, as did the energy sector. Turning to Q3 results, most sectors are upbeat, including those most exposed to the pandemic.
Primary market activity for corporate IGs slowed in November: primary issuance volumes were down 58% from November 2019, with €16bn issued (vs. €38bn), but still up 10% to €380bn in the first 11 months of 2020. The "green", "sustainability-linked" and "hybrid" formats are regaining their recent momentum with several maiden issues: Vinci (green), Lafarge (sustainability-linked) and Abertis (hybrid). In addition, several issuers took advantage of the market environment to launch liability management deals on Senior (Abertis, Carmila, Unibail, Auchan) and hybrid (Engie, BHP) issues.

The structure of the bond portfolio changed very marginally against a backdrop of rising benchmark rates and strong credit performance. Corporate issuers represent 77% of the bond portfolio.

Appetite for risky assets showed no sign of flagging at the end of 2020 with the prospect of an exit from the health crisis thanks to the delivery of the first vaccines as from the end of December, the approval by the US Congress of a new $900 billion stimulus plan and the signing on December 24th of an agreement between the United Kingdom and the EU on their post-Brexit trade relations. The ECB strengthened its support for the economy with a recalibration of its monetary policy instruments. The main measure is a €500bn increase of the envelope for the pandemic emergency purchase programme

to a total of €1850bn and an extension of its horizon until March 2022.
Over the month, credit appreciated across all segments and sectors. The margin against government bonds tightened by 1bp for senior financial credit to 86, by 3bp for senior financial credit to 77bp, by 12bp for subordinated financials to 151bp and by 9bp for IG corporate hybrids to 204bp (ICE BofAML indices).
The German government bond yield curve flattened, with the 10-year yield unchanged at -0,57%, the 5-year yield up 1bp to -0,74%, and the 2-year yield up 4bp to -0,70%.
In the banking sector, European regulators partially lifted the ban on dividend payments while specifying that the decision would remain on a case-by-case basis. The ECB remains the most conservative central bank, allowing only a payment equal to 15% of 2019 and 2020 earnings (but without exceeding 0.2% of the CET1 ratio) compared with, for example, 25% for the UK regulator.
The primary market was quiet: volumes fell sharply in December to €10bn (€4bn in gross issuance for corporates and €6bn for financials) but were in line with historical seasonality. Despite a slowdown in the supply of IG corporate issuers over the last two months, 2020 marks a new historical record with €385bn issued, up 11% from the previous record set in 2019 (€346bn).
2020 was also a record year for the hybrid format: volumes increased by 60% to €40bn, with a significant increase in the energy sector.
The ESG theme was very present in 2020. New alternatives were added to the Green format: Social, Sustainability-linked, Transition. Volumes amounted to €55bn. Within the non-financial universe, the segment remained dominated by utilities and real estate, but the sector's granularity was increased thanks to the emergence of new formats.

The bond portfolio's structure changed very marginally against a backdrop of relatively stable benchmark rates and credit performance. Corporate issuers represent 77% of the bond portfolio.

Equity management:

In the first part of the financial year, the equity compartment of Lazard Patrimoine Opportunities was composed of a euro equity compartment and a US equity compartment. Since June 23rd, 2020, these two compartments have been transformed into an international equity compartment that was initially composed of around 70% US stocks, 20% European stocks and 10% Japanese stocks.

In the second half of the financial year (from 23/06/2020 to 31/12/2020), the international equity compartment of Lazard Patrimoine Opportunities recorded a performance of +10,23%. There was a strong positive contribution from industrials and financials and, to a lesser extent, from the consumer services sector. Among the top contributors were Walt Disney (+43,8% in euros), Parker Hannifin (+39,9%), Honeywell International (+37,2%), Morgan Stanley (+34,3%), LVMH (+32,2%) and Texas Instruments (+21,6%). Conversely, the compartment's gains were held back by bad performances in the healthcare and energy sectors. The worst contributors were Sanofi (-15,5%), Cisco (-8,4%), SAP (-14,6%), Chevron (-11,6%), Roche (-12,1% in the portfolio) and Takeda Pharmaceutical (-9%).

Over the period, we invested in Astrazeneca in the pharmaceutical industry, Unilever in consumer goods and EssilorLuxottica in the manufacture and distribution of eyeglasses and ophthalmic lenses. On the other hand, we sold our positions in Nestlé in consumer goods and Roche in the pharmaceutical industry.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
FRANCE GOVERNMENT BOND OAT 0.0% 25-11-29	1 989 100,00	2 003 520,00
FRANCE GOVERNMENT BOND OAT 0.7% 25-07-30	1 816 881,13	1 827 483,64
FRANCE GOVERNMANT BOND OAT 1.75% 25-06-39	3 171 157,79	
LVMH (LOUIS VUITTON - MOET HENNESSY)	1 938 777,50	590 325,27
ASML HOLDING NV	1 599 975,50	830 421,91
SANOFI	1 673 206,06	727 780,25
UNILEVER NV	1 744 269,76	532 934,80
SAP SE	1 371 665,70	827 884,89
FRANCE GOVERNMENT BOND OAT 0.75% 25-11-28	1 070 255,74	1 080 111,54
LAZARD SMALL CAPS EURO I	2 040 974,85	15 773,50

16. REGULATORY INFORMATION

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

The Fund 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 sustainable economic performance.

The long-term performance of investments is not limited to the sole consideration of 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 extra-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 a sovereign asset.

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

- **USE OF FINANCIAL L 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 calculation method used is the absolute VaR.

Maximum level of VaR per month: 16,37%.

Minimum level of VaR per month: 5,85%.

Average level of VaR per month: 12,80%.

- **INFORMATION ON DISTRIBUTED INCOME ELIGIBLE FOR THE 40% ALLOWANCE (FOR DISTRIBUTING UCIs)**

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%.

- **REMUNERATION**

The fixed and variable remuneration paid during the financial year ended on December 31st, 2019 by the management company to its personnel, in proportion to their investment in the management of the AIFs, excluding the management of the UCITS and discretionary mandates, can be obtained on request by post from the UCI legal department of Lazard Frères Gestion, and are included in the company's annual report. The total variable remuneration is set by the Lazard Group based on different criteria, including the Lazard Group's financial performance over the past year and taking its results into account. The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components. All risks 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.

Population at 31/12/2020: fixed-term and permanent contracts of LFG and LFG Belgique (therefore excluding interns and apprentices and excluding LFG Courtage)

Headcount at 31/12/2020 LFG - LFG Belgique	**Fixed annual remuneration 2020 in €**	**Variable remuneration for 2020 (cash paid in 2021 and deferred compensation allocated in 2021) in €**
179	16 522 853	22 155 596

"Identified employees"

Category	**Number of employees**	**Aggregate fixed and variable remuneration in 2020 (annual salaries and cash and deferred bonuses)**
Senior management	3	4 310 982
Other	51	21 362 196
Total	**54**	**25 673 178**

Note: the amounts are stated excluding charges

- **OTHER INFORMATION**

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

LAZARD FRERES GESTION SAS
25, Rue de Courcelles - 75008 Paris, France

www.lazardfreresgestion.fr

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

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

- **Exposure through efficient management techniques:**
  - Securities lending:
  - Securities borrowing:
  - Repurchase agreements:
  - Reverse repurchase agreements:

- **Underlying exposure through derivative financial instruments: 50 136 690,92**
  - Currency forwards: 5 217 941,11
  - Futures: 43 918 749,81
  - Options:
  - Swaps: 1 000 000,00

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

Efficient portfolio management techniques	Derivative financial instruments (*)
	CACEIS BANK, LUXEMBOURG BRANCH

(*) Excluding listed derivatives

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

Instrument types	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 (*)	38,88
. Other income	
Total income	**38,88**
. Direct operating expenses	
. Indirect operating expenses	
. Other expenses	
Total expenses	

(*) Income on securities lending and repurchase agreements

17. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31/12/2020 *in* EUR

ASSETS

	31/12/2020
NET NON-CURRENT ASSETS	
DEPOSITS	
FINANCIAL INSTRUMENTS	**97 272 203,24**
Equities and similar securities	**57 114 036,85**
Traded on a regulated or equivalent market	57 114 036,85
Not traded on a regulated or equivalent market	
Bonds and similar securities	**29 614 449,09**
Traded on a regulated or equivalent market	29 614 449,09
Not traded on a regulated or equivalent market	
Debt securities	
Traded on a regulated or equivalent market	
Negotiable debt securities	
Other debt securities	
Not traded on a regulated or equivalent market	
Undertakings for collective investment	**10 015 693,82**
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	10 015 693,82
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU	
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities	
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities	
Other non-European entities	
Temporary securities transactions	
Receivables on securities purchased under repurchase agreements	
Receivables on loaned securities	
Borrowed securities	
Securities sold under repurchase agreements	
Other temporary transactions	
Forward financial instruments	**528 023,48**
Transactions on a regulated or equivalent market	528 023,48
Other transactions	
Other financial instruments	
RECEIVABLES	**7 043 921,07**
Currency forward exchange transactions	5 217 941,11
Other	1 825 979,96
FINANCIAL ACCOUNTS	**5 626 801,92**
Cash and cash equivalents	5 626 801,92
TOTAL ASSETS	**109 942 926,23**

LIABILITIES AND SHAREHOLDERS' EQUITY

	31/12/2020
SHAREHOLDERS' EQUITY	
Share capital	101 197 622,60
Undistributed net capital gains and losses recognised in previous years (a)	
Retained earnings (a)	
Net capital gains and losses for the year (a, b)	2 742 086,14
Net income for the year (a,b)	-92 253,03
TOTAL SHAREHOLDERS' EQUITY*	**103 847 455,71**
** Sum representing the net assets*	
FINANCIAL INSTRUMENTS	**726 453,28**
Sales of financial instruments	
Temporary securities transactions	
Liabilities on securities sold under repurchase agreements	
Liabilities on borrowed securities	
Other temporary transactions	
Forward financial instruments	726 453,28
Transactions on a regulated or equivalent market	606 267,79
Other transactions	120 185,49
LIABILITIES	**5 369 017,24**
Currency forward exchange transactions	5 160 000,00
Other	209 017,24
FINANCIAL ACCOUNTS	
Bank overdrafts	
Borrowings	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**109 942 926,23**

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS AT 31/12/2020 *in* EUR

	31/12/2020
HEDGING TRANSACTIONS	
Commitments on regulated or similar markets	
Commitments on OTC markets	
Credit Default Swaps	
ITRAXX EUR XOVER S34	1 000 000,00
Other commitments	
OTHER TRANSACTIONS	
Commitments on regulated or similar markets	
Futures contracts	
FGBL BUND 10A 0321	9 770 200,00
XEUR FGBX BUX 0321	3 829 080,00
CBOT USUL 30A 0321	13 614 380,29
SP 500 MINI 0321	1 225 532,26
MME MSCI EMER 0321	10 791 590,05
EURO STOXX 50 0321	1 810 500,00
EC EURUSD 0321	2 877 467,21
Commitments on OTC markets	
Other commitments	

INCOME STATEMENT AS AT 31/12/2020 *in* EUR

	31/12/2020
Income from financial transactions	
Income from deposits and financial accounts	829,63
Income from equities and similar securities	819 934,26
Income from bonds and similar securities	603 850,43
Income from debt securities	
Income from temporary purchases and sales of securities	38,88
Income from forward financial instruments	
Other financial income	
TOTAL (1)	**1 424 653,20**
Expenses related to financial transactions	
Expenses related to temporary purchases and sales of securities	
Expenses related to forward financial instruments	
Expenses related to financial liabilities	28 811,53
Other financial charges	
TOTAL (2)	**28 811,53**
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	**1 395 841,67**
Other income (3)	
Management fees and depreciation and amortisation (4)	1 492 711,61
Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)	**-96 869,94**
Income adjustment for the financial year (5)	4 616,91
Interim dividends paid on net income for the financial year (6)	
Net income (1 - 2 + 3 - 4 + 5 - 6)	**-92 253,03**

NOTES TO THE FINANCIAL STATEMENTS

I. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01, as amended, of the French accounting standards body (*Autorité des Normes Comptables* - ANC).

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

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

Purchases and sales of securities are recorded excluding expenses.
The accounting currency of the portfolio is the euro.
The financial year comprises 13 months and 18 days.

Information on the impact of the Covid-19 crisis
The financial statements were approved by the Board of Directors on the basis of available information in the context of the evolving Covid-19 crisis.

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

o **Shares and similar securities** are valued on the basis of the last known price on their main market.
If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

o **Fixed-income securities:**
Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)® derived from averages of contributed prices, or on those of direct contributors.
There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

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

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price under the responsibility of the SICAV's management company.
These valuations and the related 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 with a residual maturity of more than three months:**

Negotiable debt securities traded in large volumes are valued at market price. In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic characteristics.

Benchmark rate	
Negotiable debt securities in euros	**Negotiable debt securities in other currencies**
Euribor, OISs and BTFs - 3 - 6 - 9 - 12 months BTANs - 18 months, 2 - 3 - 4 - 5 years	Official key rates in the relevant countries

- Negotiable debt securities with a residual maturity of three months or less:

Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.

- **UCIs:**

Units or shares of UCIs are valued at the last known net asset value.
Units or shares of UCIs for which net asset values are published monthly may be valued on the basis of interim net asset values calculated from estimated prices.

- **Temporary purchases and sales of securities:**

Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (overnight EONIA, 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.

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

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

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

Off-balance sheet transactions are valued at the commitment value.
The commitment value for futures contracts is equal to the price (in the SICAV's currency) multiplied by the number of contracts multiplied by the face value.
The commitment value for options is equal to the price of the underlying security (in the SICAV's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.
The commitment value for swaps is equal to the face value of the contract (in the SICAV's currency).

Management fees

The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

(Gross assets - UCIs managed by Lazard Frères Gestion SAS)
x operating and management fees rate
x no. of days between the calculated NAV and the previous NAV
365 (or 366 in a leap year)

This amount is then recorded in the SICAV's income statement and paid in full to the management company.

The management company pays the SICAV's operating fees, including for:
financial management;
administration and accounting;
custody services;
other operating fees:
reporting expenses
statutory auditors' fees;
legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

The fees break down as follows, as set out in the regulations:

<table>
<tr><th>Fees charged to the Sub-fund</th><th>Basis</th><th>Share</th><th colspan="2">Rate
(Maximum incl. taxes)</th></tr>
<tr><td rowspan="3">Financial management fees</td><td rowspan="3">Net assets excluding UCIs managed by Lazard Frères Gestion</td><td>RC EUR</td><td colspan="2">1,580%</td></tr>
<tr><td>PC EUR</td><td colspan="2">0,780%</td></tr>
<tr><td>PD EUR</td><td colspan="2">0,780%</td></tr>
<tr><td>Administrative fees external to the management company</td><td>Net assets</td><td>Applied to all shares</td><td colspan="2">0,035%</td></tr>
<tr><td>Indirect charges
(management fees and expenses)</td><td>N.A</td><td>Applied to all shares</td><td colspan="2">None</td></tr>
<tr><td rowspan="2">Turnover commission (0% to 100% received by the management company and 0% to 100% received by the custodian)</td><td rowspan="2">Maximum charge on each transaction</td><td rowspan="2">Applied to all shares</td><td>Equities, foreign exchange</td><td>From 0 to 0.20%</td></tr>
<tr><td>Futures and other transactions</td><td>From €0 to €450 per batch/contract</td></tr>
<tr><td>Performance fees</td><td>n/a</td><td>RC EUR,
PC EUR,
PD EUR</td><td colspan="2">None</td></tr>
</table>

- If the amount is significant, a provision is recognised in account 619.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Net income:

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

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

Capital gains and losses:

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

Allocation of distributable income:

Share(s)	***Allocation of net income***	***Allocation of net realised capital gains or losses***
LAZARD PATRIMOINE OPPORTUNITIES SRI PD EUR shares	Distribution	Accumulation and/or Distribution and/or Retention as decided by the SICAV
LAZARD PATRIMOINE OPPORTUNITIES SRI RC EUR shares	Accumulation	Accumulation
LAZARD PATRIMOINE OPPORTUNITIES SRI PC EUR shares	Accumulation	Accumulation

2. CHANGE IN NET ASSETS as at 31/12/2020 *in* euros

	31/12/2020
NET ASSETS AT START OF YEAR	
Subscriptions (including subscription fees retained by the Fund)	105 669 004,34
Redemptions (net of redemption fees retained by the Fund)	-11 932 513,41
Realised capital gains on deposits and financial instruments	4 915 234,47
Realised capital losses on deposits and financial instruments	-2 987 537,93
Realised capital gains on forward financial instruments	9 094 016,82
Realised capital losses on forward financial instruments	-7 222 978,52
Transaction charges	-283 028,31
Exchange rate differences	-3 489 141,21
Changes in valuation difference of deposits and financial instruments	9 813 141,41
Valuation difference for financial year N	*9 813 l4l,4l*
Valuation difference for financial year N-1	
Changes in valuation difference of forward financial instruments	368 127,99
Valuation difference for financial year N	*368 127,99*
Valuation difference for financial year N-1	
Distribution of prior year's net capital gains and losses	
Dividends paid in the previous financial year	
Net profit/loss for the financial year prior to income adjustment	-96 869,94
Interim dividend(s) paid on net capital gains/losses during the financial year	
Interim dividend(s) paid on net income during the financial year	
Other items	
NET ASSETS AT END OF YEAR	**103 847 455,71**

3. ADDITIONAL INFORMATION (*)

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount:	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
Fixed-rate bonds traded on a regulated or similar market	29 614 449,09	28,52
TOTAL BONDS AND SIMILAR SECURITIES	**29 614 449,09**	**28,52**
DEBT SECURITIES		
TOTAL DEBT SECURITIES		
LIABILITIES AND SHAREHOLDERS' EQUITY		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
Credit	1 000 000,00	0,96
TOTAL HEDGING TRANSACTIONS	**1 000 000,00**	**0,96**
OTHER TRANSACTIONS		
Equities	13 827 622,31	13,32
Currency	2 877 467,21	2,77
Interest rates	27 213 660,29	26,20
TOTAL OTHER TRANSACTIONS	**43 918 749,81**	**42,29**

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

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
ASSETS								
Deposits								
Bonds and similar securities	29 614 449,09	28,52						
Debt securities								
Temporary securities transactions								
Financial accounts							5 626 801,92	5,42
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions	27 213 660,29	26,21						

• 3.3. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY

	< 3 months	%	3 months-1 year	%	1-3 years	%	3-5 years	%	> 5 years	%
ASSETS										
Deposits										
Bonds and similar securities					3 705 238,86	3,57	8 050 137,54	7,75	17 859 072,69	17,20
Debt securities										
Temporary securities transactions										
Financial accounts	5 626 801,92	5,42								
LIABILITIES AND SHAREHOLDERS' EQUITY										
Temporary securities transactions										
Financial accounts										
OFF-BALANCE SHEET										
Hedging transactions										
Other transactions									27 213 660,29	26,21

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

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

	Currency 1 USD		Currency 2 SEK		Currency 3 JPY		Currency N OTHER(S)	
	Amount:	%	Amount:	%	Amount:	%	Amount:	%
ASSETS								
Deposits								
Equities and similar securities	31 389 153,51	30,23	2 162 778,14	2,08	5 600 224,66	5,39	2 336 597,42	2,25
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables	1 555 314,42	1,50	5 217 941,11	5,02	10 339,14	0,01		
Financial accounts	2 633 309,82	2,54	1 065,94		28 482,44	0,03	735 381,61	0,71
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions	28 508 969,81	27,45						

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	31/12/2020
RECEIVABLES		
	Forward currency purchases	5 217 941,11
	Margin cash deposits	1 796 300,25
	Coupons and dividends in cash	29 679,71
TOTAL RECEIVABLES		**7 043 921,07**
LIABILITIES		
	Payables on forward currency purchases	5 160 000,00
	Redemptions payable	84 697,25
	Fixed management fees	124 319,99
TOTAL LIABILITIES		**5 369 017,24**
TOTAL LIABILITIES AND RECEIVABLES		**1 674 903,83**

3.6. SHAREHOLDERS' EQUITY

3.6.1. Number of securities issued or redeemed

	In equity	In amounts
LAZARD PATRIMOINE OPPORTUNITIES SRI PD EUR shares		
Shares subscribed during the financial year	110	11 736 203,05
Shares redeemed during the financial year	-12	-1 366 990,56
Net balance of subscriptions/redemptions	98	10 369 212,49
Number of shares outstanding at the end of the financial year	98	
LAZARD PATRIMOINE OPPORTUNITIES SRI RC EUR shares		
Shares subscribed during the financial year	1 229 088	90 523 720,33
Shares redeemed during the financial year	-140 216	-10 565 522,85
Net balance of subscriptions/redemptions	1 088 872	79 958 197,48
Number of shares outstanding at the end of the financial year	1 088 872	
LAZARD PATRIMOINE OPPORTUNITIES SRI PC EUR shares		
Shares subscribed during the financial year	33	3 409 080,96
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	33	3 409 080,96
Number of shares outstanding at the end of the financial year	33	

3.6.2. Subscription and/or redemption fees

	In amounts
LAZARD PATRIMOINE OPPORTUNITIES SRI PD EUR shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD PATRIMOINE OPPORTUNITIES SRI RC EUR shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
LAZARD PATRIMOINE OPPORTUNITIES SRI PC EUR shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

3.7. MANAGEMENT FEES

	31/12/2020
LAZARD PATRIMOINE OPPORTUNITIES SRI PD EUR shares	
Guarantee fees	
Fixed management fees	87 901,52
Percentage of fixed management fees	0,73
Variable management fees	
Retrocessions of management fees	
LAZARD PATRIMOINE OPPORTUNITIES SRI RC EUR shares	
Guarantee fees	
Fixed management fees	1 376 913,36
Percentage of fixed management fees	1,46
Variable management fees	
Retrocessions of management fees	
LAZARD PATRIMOINE OPPORTUNITIES SRI PC EUR shares	
Guarantee fees	
Fixed management fees	27 896,73
Percentage of fixed management fees	0,83
Variable management fees	
Retrocessions of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the Fund:

None.

3.8.2. Other commitments received and/or given:

None.

3.9. OTHER INFORMATION

3.9.1. Present value of financial instruments held temporarily

	31/12/2020
Securities held under repurchase agreements	
Borrowed securities	

3.9.2. Present value of financial instruments representing security deposits

	31/12/2020
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

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

	ISIN code	Name	31/12/2020
Equities			
Bonds			
Negotiable debt securities			
UCIs			10 015 693,82
	FR0010952788	LAZARD CAPI PVC EUR	1 828 350,68
	FR0010505313	LAZARD EURO CORP HIGH YIELD PC EUR	3 978 487,26
	FR0010941815	LAZARD EURO MONEY MARKET "B"	100 323,56
	FR0000174310	LAZARD SMALL CAPS EURO I	2 297 434,40
	FR0013314440	LAZ GL HYBR BD EV EUR	1 811 097,92
Forward financial instruments			
Total group securities			**10 015 693,82**

3.10. TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME

Table of allocation of distributable income pertaining to net income

	31/12/2020
Remaining amounts to be allocated	
Retained earnings	
Net income	-92 253,03
Total	**-92 253,03**

	31/12/2020
LAZARD PATRIMOINE OPPORTUNITIES SRI PD EUR shares	
Appropriation	
Distribution	45 174,08
Balance brought forward for the financial year	0,26
Accumulation	
Total	**45 174,34**
Information on shares with dividend rights	
Number of shares	98
Dividend per share	460,96
Tax credit	
Tax credit attached to the distribution of earnings	12 882,57

	31/12/2020
LAZARD PATRIMOINE OPPORTUNITIES SRI RC EUR shares	
Appropriation	
Distribution	
Balance brought forward for the financial year	
Accumulation	-155 062,83
Total	**-155 062,83**

	31/12/2020
LAZARD PATRIMOINE OPPORTUNITIES SRI PC EUR shares	
Appropriation	
Distribution	
Balance brought forward for the financial year	
Accumulation	17 635,46
Total	**17 635,46**

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

	31/12/2020
Remaining amounts to be allocated	
Undistributed net capital gains and losses recognised in previous years	
Net capital gains and losses for the year	2 742 086,14
Interim dividends paid on net capital gains/losses for the financial year	
Total	**2 742 086,14**

	31/12/2020
LAZARD PATRIMOINE OPPORTUNITIES SRI PD EUR shares	
Appropriation	
Distribution	305 127,90
Undistributed net capital gains and losses	0,59
Accumulation	
Total	**305 128,49**
Information on shares with dividend rights	
Number of shares	98,00
Dividend per share	3 113,55

	31/12/2020
LAZARD PATRIMOINE OPPORTUNITIES SRI RC EUR shares	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	2 338 758,60
Total	**2 338 758,60**

	31/12/2020
LAZARD PATRIMOINE OPPORTUNITIES SRI PC EUR shares	
Appropriation	
Distribution	
Undistributed net capital gains and losses	
Accumulation	98 199,05
Total	**98 99,05**

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

	31/12/2020
Global net assets in euros	**103 847 455,71**
LAZARD PATRIMOINE OPPORTUNITIES SRI PD EUR EUR shares	
Net assets	11 583 404,32
Number of shares	98
Net asset value per share	118 198,00
Accumulation per share pertaining to net capital gains/losses	3 113,55
Distribution of income per share (*)	460,96
Tax credit per share	
LAZARD PATRIMOINE OPPORTUNITIES SRI RC EUR EUR shares	
Net assets	88 539 624,09
Number of shares	1 088 872
Net asset value per share	81,31
Accumulation per share pertaining to net capital gains/losses	2,14
Accumulation per share pertaining to income	-0,14
LAZARD PATRIMOINE OPPORTUNITIES SRI PC EUR EUR shares	
Net assets	3 724 427,30
Number of shares	33
Net asset value per share	112 861,43
Accumulation per share pertaining to net capital gains/losses	2 975,72
Accumulation per share pertaining to income	534,40

* Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in EUR

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Equities and similar securities				
Equities and similar securities traded on a regulated or similar market				
GERMANY				
ALLIANZ SE-REG	EUR	5 730	1 150 011,00	1,11
BMW BAYERISCHE MOTOREN WERKE	EUR	14 890	1 075 504,70	1,04
DEUTSCHE TELEKOM AG	EUR	58 120	869 184,60	0,83
SAP SE	EUR	11 745	1 259 298,90	1,22
TOTAL GERMANY			**4 353 999,20**	**4,20**
SPAIN				
BANCO SANTANDER S.A.	EUR	470 765	1 194 801,57	1,15
TOTAL SPAIN			**1 194 801,57**	**1,15**
UNITED STATES				
3M CO	USD	6 700	957 127,21	0,92
ALPHABET- A	USD	1 050	1 504 043,15	1,45
AMAZON.COM INC	USD	450	1 197 841,12	1,15
BALL CORP	USD	15 810	1 204 017,65	1,16
BANK OF AMERICA CORP	USD	54 750	1 356 276,82	1,30
BECTON DICKINSON	USD	5 740	1 173 848,88	1,13
CHEVRONTEXACO CORP	USD	12 290	848 261,62	0,82
CISCO SYSTEMS	USD	23 510	859 852,48	0,83
ECOLAB	USD	4 638	820 136,23	0,79
ESTEE LAUDER COMPANIES INC -A-	USD	5 840	1 270 523,97	1,23
HOME DEPOT INC COM USD0.05	USD	3 610	783 693,51	0,75
HONEYWELL INTL	USD	6 990	1 215 130,56	1,17
INTERCONTINENTAL EXCHANGE GROUP	USD	9 530	897 972,05	0,87
MERCK AND	USD	16 930	1 131 849,13	1,09
MICROSOFT CORP	USD	8 640	1 570 600,96	1,51
MONDELEZ INTERNATIONAL INC	USD	17 160	820 027,95	0,79
MORGAN STANLEY	USD	23 720	1 328 537,13	1,28
MOTOROLA SOL. WI	USD	9 550	1 327 345,02	1,28
PARKER-HANNIFIN CORP	USD	4 930	1 097 610,48	1,05
RAYTHEON TECHNO	USD	16 140	943 297,29	0,90
ROSS STORES	USD	9 910	994 685,22	0,96
TEXAS INSTRUMENTS COM	USD	10 780	1 446 055,66	1,39
THE WALT DISNEY	USD	9 690	1 434 869,19	1,39
VISA INC CLASS A	USD	8 080	1 444 434,96	1,39
TOTAL UNITED STATES			**27 628 038,24**	**26,60**
FRANCE				
BNP PARIBAS	EUR	26 140	1 126 764,70	1,09
ESSILORLUXOTTICA	EUR	7 270	927 288,50	0,89
LVMH (LOUIS VUITTON - MOET HENNESSY)	EUR	4 510	2 304 159,00	2,22
SANOFI	EUR	18 370	1 445 719,00	1,39
VINCI (EX SGE)	EUR	8 670	705 391,20	0,68
TOTAL FRANCE			**6 509 322,40**	**6,27**
IRELAND				
ACCENTURE PLC - CL A	USD	5 425	1 158 158,02	1,12
MEDTRONIC PLC	USD	13 500	1 292 460,46	1,24
TOTAL IRELAND			**2 450 618,48**	**2,36**

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
JAPAN				
ASAHI GROUP HOLDINGS	JPY	29 100	977 636,73	0,94
DAIWA HOUSE INDS	JPY	44 000	1 067 211,71	1,03
HITACHI JPY50	JPY	33 900	1 090 860,95	1,05
MURATA MFG CO	JPY	12 200	900 087,83	0,87
ORIX CORP	JPY	56 000	702 407,95	0,67
TAKEDA CHEM INDS JPY50	JPY	29 000	862 019,49	0,83
TOTAL JAPAN			**5 600 224,66**	**5,39**
NETHERLANDS				
ASML HOLDING NV	EUR	4 780	1 900 289,00	1,83
TOTAL NETHERLANDS			**1 900 289,00**	**1,83**
UNITED KINGDOM				
ASTRAZENECA PLC	GBP	16 790	1 373 812,53	1,32
LINDE PLC	USD	6 085	1 310 496,79	1,26
UNILEVER PLC	EUR	33 630	1 666 870,95	1,61
TOTAL UNITED KINGDOM			**4 351 180,27**	**4,19**
SWEDEN				
ALFA LAVAL	SEK	51 990	1 170 855,05	1,13
SWEDBANK AB	SEK	69 160	991 923,09	0,95
TOTAL SWEDEN			**2 162 778,14**	**2,08**
SWITZERLAND				
SGS STE GLE SURVEILLANCE NOM	CHF	390	962 784,89	0,93
TOTAL SWITZERLAND			**962 784,89**	**0,93**
TOTAL Equities and similar securities traded on a regulated or similar market			**57 114 036,85**	**55,00**
TOTAL Equities and similar securities			**57 114 036,85**	**55,00**
Bonds and similar securities				
Bonds and similar securities traded on a regulated or similar market				
GERMANY				
CMZB FRANCFORT 4.0% 05-12-30	EUR	200 000	223 973,41	0,21
TOTAL GERMANY			**223 973,41**	**0,21**
BELGIUM				
KBC GROUPE SA 1.625% 18-09-29	EUR	500 000	523 138,87	0,50
TOTAL BELGIUM			**523 138,87**	**0,50**
SPAIN				
BANCO DE SABADELL SA 0.0625% 07-11-25	EUR	500 000	505 140,14	0,48
BANCO NTANDER 1.125% 23-06-27	EUR	300 000	319 975,83	0,32
BANCO NTANDER 2.125% 08-02-28	EUR	800 000	889 800,77	0,85
BANCO NTANDER 4.375% PERP	EUR	200 000	202 961,51	0,20
BBVA 0.75% 11-09-22 EMTN	EUR	400 000	407 575,42	0,39
BBVA 2.575% 22-02-29 EMTN	EUR	200 000	215 379,59	0,21
CAIXABANK 1.75% 24-10-23 EMTN	EUR	600 000	631 407,00	0,61
INSTITUTO DE CREDITO OFICIAL 0.2% 31-01-24	EUR	1 500 000	1 534 781,89	1,48
TOTAL SPAIN			**4 707 022,15**	**4,54**
UNITED STATES				
AT T 0.8% 04-03-30	EUR	375 000	389 431,41	0,38
TOTAL UNITED STATES			**389 431,41**	**0,38**

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
FRANCE				
AGEN FRA 1.375% 17-09-24 EMTN	EUR	1 000 000	1 072 258,84	1,03
AXA 3.25% 28-05-49 EMTN	EUR	700 000	833 998,99	0,80
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 1.625% 15-11-27	EUR	600 000	646 128,33	0,63
BNP PAR 1.0% 27-06-24 EMTN	EUR	500 000	520 530,14	0,51
BNP PAR 2.125% 23-01-27 EMTN	EUR	200 000	223 426,98	0,21
BNP PAR CARDIF 1.0% 29-11-24	EUR	800 000	822 662,96	0,79
BOUYGUES 1.125% 24/07/2028	EUR	300 000	327 742,09	0,32
BPCE 1.0% 01-04-25 EMTN	EUR	600 000	629 051,30	0,61
BPCE 1.125% 18-01-23 EMTN	EUR	500 000	518 790,20	0,50
CAPGEMINI SE 1.625% 15-04-26	EUR	100 000	109 361,79	0,10
CARR 1.75% 15-07-22 EMTN	EUR	200 000	206 811,49	0,19
CASA ASSURANCES 2.625% 29-01-48	EUR	400 000	443 437,48	0,43
CNP ASSURANCES 1.875% 20-10-22	EUR	500 000	519 262,74	0,50
CNP ASSURANCES 2.0% 27-07-50	EUR	200 000	214 799,34	0,20
CREDIT MUTUEL ARKEA 1.25% 31-05-24	EUR	300 000	314 359,50	0,30
CREDIT MUTUEL ARKEA 3.375% 11-03-31	EUR	400 000	501 597,89	0,48
DASSAULT SYSTEMES 0.375% 16-09-29	EUR	300 000	310 602,12	0,30
ENGIE 3.25% PERP	EUR	100 000	112 688,99	0,11
FRANCE GOVERNMANT BOND OAT 1.75% 25-06-39	EUR	2 500 000	3 328 578,42	3,21
LA BANQUE POSTALE 23/04/2026	EUR	500 000	513 664,01	0,50
ORANGE 2.375% PERP	EUR	200 000	214 907,63	0,21
SCOR 3.875% PERP	EUR	500 000	570 973,39	0,55
SG 1.375% 23-02-28 EMTN	EUR	400 000	411 865,66	0,39
SG 1.75% 22-03-29 EMTN	EUR	400 000	445 626,47	0,43
SOGECAP SA 4.125% 29-12-49	EUR	300 000	347 199,30	0,34
SUEZ 1.625% PERP	EUR	200 000	200 664,97	0,19
TOTAL SE 2.0% PERP	EUR	250 000	261 314,93	0,25
TOTAL FRANCE			**14 622 305,95**	**14,08**
ITALY				
ENI 0.75% 17-05-22 EMTN	EUR	150 000	152 935,15	0,15
ENI 3.375% PERP	EUR	125 000	135 392,77	0,14
IGIM 0 1/4 06/24/25	EUR	500 000	508 137,81	0,49
INTE 3.75% PERP	EUR	500 000	485 567,09	0,47
MEDIOBANCABCA CREDITO FINANZ 1.625% 07-01-25	EUR	300 000	321 972,36	0,31
SNAM 0.875% 25-10-26 EMTN	EUR	500 000	527 208,01	0,50
TRASMISSIONE ELETTRICITA RETE NAZIONALE 1.0% 10-0426	EUR	500 000	531 841,13	0,51
UNICREDIT 2.731% 15-01-32	EUR	700 000	728 125,18	0,70
UNICREDIT 4.875% 20-02-29 EMTN	EUR	200 000	227 041,59	0,22
UNICREDIT SPA 7.5% PERP	EUR	200 000	233 640,89	0,22
TOTAL ITALY			**3 851 861,98**	**3,71**
NETHERLANDS				
AEGON 5.625% 29/12/49	EUR	200 000	240 475,40	0,24
ASR NEDERLAND NV 3.375% 02-05-49	EUR	100 000	114 457,65	0,11
ED 2.375% 23-03-23 EMTN	EUR	300 000	322 732,42	0,31
ENEL FIN 5% 09-22	EUR	300 000	331 571,84	0,32
ENEL FINANCE INTL NV 0.375% 17-06-27	EUR	500 000	511 577,67	0,49
GAS NATURAL FENOSA FINANCE BV 0.875% 15-05-25	EUR	100 000	104 555,36	0,10
ING GROEP NV 1.0% 20-09-23	EUR	100 000	103 598,15	0,10
RABO NEDE 2.5% 26-05-26	EUR	500 000	512 751,23	0,49
TOTAL NETHERLANDS			**2 241 719,72**	**2,16**

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
PORTUGAL				
CAIXA GEN 1.25% 25-11-24 EMTN	EUR	500 000	514 834,55	0,50
TOTAL PORTUGAL			**514 834,55**	**0,50**
UNITED KINGDOM				
BARCLAYS 0.625% 14-11-23 EMTN	EUR	300 000	303 834,12	0,29
CASA LONDON 1.375% 13-03-25	EUR	400 000	427 324,41	0,41
LLOYDS BANKING GROUP 1.0% 09-11-23	EUR	200 000	206 720,33	0,20
LLOYDS BANKING GROUP 1.75% 07-09-28	EUR	700 000	725 772,90	0,70
NGG FINANCE 1.625% 05-12-79	EUR	100 000	101 981,01	0,09
STAN 3.125% 19-11-24 EMTN	EUR	700 000	774 528,28	0,75
TOTAL UNITED KINGDOM			**2 540 161,05**	**2,44**
TOTAL Bonds and similar securities traded on a regulated or similar market			**29 614 449,09**	**28,52**
TOTAL Bonds and similar securities			**29 614 449,09**	**28,52**
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD CAPI PVC EUR	EUR	884	1 828 350,68	1,76
LAZARD EURO CORP HIGH YIELD PC EUR	EUR	2 178	3 978 487,26	3,83
LAZARD EURO MONEY MARKET "B"	EUR	0,098	100 323,56	0,09
LAZARD SMALL CAPS EURO I	EUR	2 890	2 297 434,40	2,21
LAZ GL HYBR BD EV EUR	EUR	16	1 811 097,92	1,75
TOTAL FRANCE			**10 015 693,82**	**9,64**
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			**10 015 693,82**	**9,64**
TOTAL Undertakings for collective investment			**10 015 693,82**	**9,64**
Forward financial instruments				
Futures contracts				
Futures contracts on a regulated or equivalent market				
CBOT USUL 30A 0321	USD	-78	100 603,78	0,10
EC EURUSD 0321	USD	23	21 711,41	0,02
EURO STOXX 50 0321	EUR	-51	-12 510,00	-0,01
FGBL BUND 10A 0321	EUR	55	41 800,00	0,04
MME MSCI EMER 0321	USD	205	328 388,70	0,32
SP 500 MINI 0321	USD	8	35 519,59	0,03
XEUR FGBX BUX 0321	EUR	-17	-27 200,00	-0,03
TOTAL Futures contracts on a regulated or equivalent market			**488 313,48**	**0,47**
TOTAL Futures contracts			**488 313,48**	**0,47**
Other forward financial instruments				
Credit Default Swap				
ITRAXX EUR XOVER S34	EUR	-1 000 000	-120 185,49	-0,12
TOTAL Credit Default Swap			**-120 185,49**	**-0,12**
TOTAL Other forward financial instruments			**-120 185,49**	**-0,12**
TOTAL Forward financial instruments			**368 127,99**	**0,35**
Margin call				
CACEIS MARGIN CALL	USD	-683 092,91	-558 287,70	-0,54
CACEIS MARGIN CALL	EUR	-8 270	-8 270,00	-0,01
CACEIS MARGIN CALL	GBP	-0,08	-0,09	0,01
TOTAL Margin call			**-566 557,79**	**-0,54**

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Receivables			**7 043 921,07**	**6,78**
Liabilities			**-5 369 017,24**	**-5,17**
Financial accounts			**5 626 801,92**	**5,42**
Net assets			**103 847 455,71**	**100,00**

LAZARD PATRIMOINE OPPORTUNITIES SRI RC EUR shares	**EUR**	**1 088 872**	**81,31**
LAZARD PATRIMOINE OPPORTUNITIES SRI PD EUR shares	**EUR**	**98**	**118 198,00**
LAZARD PATRIMOINE OPPORTUNITIES SRI PC EUR shares	**EUR**	**33**	**112 861,43**

ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS

Breakdown of interest: LAZARD PATRIMOINE OPPORTUNITIES SRI PD EUR shares

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax				
Equities eligible for a tax allowance and subject to non-definitive withholding tax	45 174,08	EUR	460,96	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses	305 127,90	EUR	3 113,55	EUR
TOTAL	350 301,98	EUR	3 574,51	EUR

TEXT OF RESOLUTIONS

LAZARD MULTI ASSETS
French open-end investment company (Société d'Investissement à Capital Variable)
121, Boulevard Haussmann - 75008 Paris, France
882 094 428 Paris Trade and Companies Register PARIS

RESOLUTION ON THE ALLOCATION OF DISTRIBUTABLE INCOME FOR THE FINANCIAL YEAR OF THE LAZARD PATRIMOINE OPPORTUNITIES SRI SUB-FUND

FOR THE FINANCIAL YEAR ENDED DECEMBER 31ST, 2020

Second resolution

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

-€92 253,03 distributable amount pertaining to net income
€2 742 086,14 distributable amount pertaining to net capital gains and losses

and decides that they shall be allocated as follows:

5- Distributable amount pertaining to net income
- PD EUR shares: Distribution: 45 174,08
- RC EUR shares: Accumulation: -155 062,83
- PC EUR shares: Accumulation: 17 635,46

Each shareholder holding "PD EUR" shares on the detachment date will receive a dividend of €460,96.

6- Distributable amount pertaining to net capital gains and losses
- PD EUR shares: Distribution: 305 127,90
- RC EUR shares: Accumulation: 2 338 758,60
- PC EUR shares: Accumulation: 98 199,05

As this is the first financial year, no income has yet been distributed.