

KEY INFORMATION DOCUMENT

Lazard Small Caps Euro SRI



OBJECTIVE

This document contains key information about the investment product. It is not a sales document. This information is required by law to help you understand the nature and potential risks, costs, gains and losses of this product and to help you compare it to other products.

PRODUCT

Product name:	Lazard Small Caps Euro SRI - Share R
ISIN code:	FR0010689141
PRIIPS initiator:	LAZARD FRERES GESTION SAS
Website:	www.lazardfreresgestion.fr
Contact:	+33 (0)1 44 13 01 79
Competent authority:	The French Financial Markets Authority (Autorité des Marchés Financiers- AMF)
Country of authorisation and approval:	This product is authorised in France.
Document production date:	23/12/2022

WHAT IS THIS PRODUCT?

Type: Société d'Investissement à Capital Variable (SICAV)

Maturity: This product does not have a maturity date

Targeted retail investors: This product may be suitable for retail investors with a limited level of knowledge of financial markets and products who seek Eurozone country equities exposure and who accept the risk of losing part of the invested capital. This product is not suitable for investors who do not have the recommended investment horizon (5 years).

Objectives:

The investment objective is to achieve, by applying a Socially Responsible Investment (SRI) management approach, over the recommended investment horizon of 5 years, a return (net of charges) above the following simple benchmark: Emix Smaller Euro. The benchmark is expressed in EUR. Nets dividends or coupons are reinvested.

To achieve this objective, the Fund will invest in small and mid-cap Eurozone companies that achieve the best economic performance over the long term, with a preference for companies that are undervalued in relation to this performance. Accordingly, the strategy applied within the SICAV is based on:

- 1) a best-in-universe approach that consists in favouring the issuers with the best extra-financial ratings, irrespective of their business sector
- 2) identifying companies with the best economic performance profile
- 3) validating this performance through financial and strategic diagnosis
- 4) selecting stocks based on the market's undervaluation of this performance at a given time
- 5) building a portfolio within the Eurozone but with no other geographical or sectoral constraints.

The UCI promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088, the "SFDR". The SICAV is managed in accordance with the principles of the SRI label defined by the French Ministry of the Economy and Finance. The inclusion of environmental, social and governance (ESG) criteria influences the analysis of companies held in the portfolio, stock picking and weighting. ESG analysis is based on a proprietary model. Based on the various data provided by our ESG partners, the annual reports and the CSR reports of the companies and exchanges with them, an internal ESG score is established, based on both a quantitative and qualitative approach.

The methodology for covering issuers through ESG analysis is detailed in the prospectus. The analyst-managers ensure that the SICAV's ESG score is higher than the average of the top 80% in the SRI investment universe (Eurozone listed companies with a market capitalisation of between €100m and €2bn covered by the external provider). If this rule is no longer complied with, the managers would have a period of 6 months to bring the SICAV back into compliance. For the sake of integrity and objectivity, the scores used for SRI management are obtained with the support of an independent external provider. The minimum degree of exposure to the Eurozone equity markets is 75 % of the SICAV's net assets. The SICAV's portfolio is composed of shares of small companies in the Eurozone, generally corresponding to small and mid caps.

The SICAV may invest in money market instruments. The SICAV may also invest in delisted stocks (up to a maximum of 5% of the net assets). The SICAV may invest up to a maximum of 10% of its net assets in French UCIs, which may be managed by the management company.

The SICAV may use equity and equity index futures and equity and equity index options traded on regulated, organised, and/or OTC markets to hedge the portfolio and/or expose (without overexposure) it to equity risk. The SICAV may hold any warrants, certificates or rights acquired following transactions involving the portfolio securities. Within the framework of the Reliance label, two investment rules supplement the above-mentioned policy:

- 1) at least 30% of the SICAV's assets will be invested in equity instruments issued by companies whose registered office is located in France, and
- 2) at least 10% of the SICAV's assets will be invested in equity instruments issued by listed or unlisted French VSEs, SMEs or mid-caps.

The analyst-managers also undertake to exclude companies involved in coal-related activities from the SICAV's portfolio. Further information on the investment strategy can be found in the UCI's prospectus.

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

Allocation of distributable income:

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

Right of redemption: Orders are executed as indicated in the table below

Business day	Day on which NAV is set (d)	The business day following the 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 a.m. (Paris time)	Order executed by the latest on d	Publication of the net asset value	Settlement of redemptions

Name of custodian: LAZARD FRERES BANQUE

Where/how to obtain information on the UCI :

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

WHAT ARE THE RISKS AND WHAT'S IN IT FOR ME?

Risk indicator:



Recommended holding period:

5 years



The risk indicator assumes that you keep the product for 5 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return.

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

Other sizeable risks not taken into account in the indicator:

- Risks associated with derivatives
- Liquidity risk

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product in the risk class 4 out of 7, which is a medium risk class.

Performance scenarios:

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you get from this product depends on future market performance. Future market developments are uncertain and cannot be accurately predicted.

The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product over the past 10 years. The scenarios presented represent examples based on past performance and certain assumptions. Markets could evolve very differently in the future.

Recommended holding period: 5 years

Investment example: 10000 €

Scenarios		If you exit after 1 year	If you exit after 5 years
<i>Minimum</i>	<i>There is no guaranteed minimum return. You could lose all or part of your investment.</i>		
Pressure	<i>What you could get after deducting costs</i>	2420 €	3620 €
	Average annual return	-75.8%	-18.4%
Unfavourable	<i>What you could get after deducting costs</i>	6890 €	3620 €
	Average annual return	-31.1%	-18.4%
Intermediary	<i>What you could get after deducting costs</i>	10270 €	12150 €
	Average annual return	2.8%	4.0%
Favourable	<i>What you could get after deducting costs</i>	15240 €	23860 €
	Average annual return	52.4%	19.0%

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

Unfavourable scenario: This type of scenario occurred for an investment between 14/12/2017 - 14/12/2018

Intermediate scenario: This type of scenario occurred for an investment between 14/02/2019 - 14/02/2020

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

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

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

WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

Costs over time:

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed:

- that in the first year you would get back the amount you invested (annual return of 0.0%)
- that for the remaining holding periods, the product evolves as indicated in the intermediate scenario

- that 10000 EUR are invested

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

	If you exit after 1 year	If you exit after 5 years
Total costs	822 €	2202 €
Impact of annual costs (*)	8.3%	3.8% every year

(*) It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 7.8% before deduction of costs and 4.0% after that deduction.

Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4.0% of the amount invested. This is the maximum amount you could be required to pay. The person selling you the product will inform you of the actual costs.	Up to 400 €
Exit costs		192 €
Recurring costs incurred each year		
Management fees and other administrative and operating costs	2.3% of the value of your investment per year. This estimate is based on actual costs over the past year.	221 €
Transaction costs	0.1% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	9 €
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	0 €

HOW LONG DO I HAVE TO HOLD IT AND CAN I WITHDRAW MONEY EARLY?

Recommended holding period: 5 years

This product does not have a minimum holding period requirement. The recommended holding period (5 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period. Exit charges may be applied in accordance with the terms described in the section "What will this investment cost me?" The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

HOW CAN I MAKE A CLAIM?

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By e-mail: lfg.juridique@lazard.fr

A description of the complaint handling process is available on our website at www.lazardfreresgestion.fr.

OTHER RELEVANT INFORMATION

More information about this product can be found on the website LAZARD FRERES GESTION SAS. A hard copy may be obtained free-of-charge on request. You can also find information on the product's performance over the past years and performance scenario calculations at https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=SER