

Lazard Fund Managers Limited

Lazard Investment Funds

Annual Report & Financial Statements
For the year ended 30 September 2021



Lazard Investment Funds - Annual Report and Financial Statements September 2021

Contents

Company Information and Director's Report*	3
Notes to the Financial Statements of all Sub-funds	6
Lazard Developing Markets Fund	12
Lazard Emerging Markets Fund	28
Lazard European Alpha Fund	46
Lazard European Smaller Companies Fund	62
Lazard Global Equity Income Fund	77
Lazard Managed Balanced Fund	94
Lazard Managed Equity Fund	112
Lazard Multicap UK Income Fund	126
Lazard UK Omega Fund	142
Lazard UK Smaller Companies Fund	159
Statement of the Authorised Corporate Director's Responsibilities*	174
Statement of the Depositary's Responsibilities	175
Independent Auditors' Report	176
Management and Professional Services*	179

* Collectively these pages together with the Investment Manager's Reports, Portfolio Statements and Fund Facts of the individual Sub-funds comprise the Authorised Corporate Directors' Report. Information specific to each Sub-fund is detailed within its respective section.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Company Information and Director's Report

Company

Lazard Investment Funds
Registered Number IC42

Registered Office

50 Stratton Street
London W1J 8LL

Director

The Authorised Corporate Director ('ACD') is Lazard Fund Managers Limited which is the sole director.

Board of Directors of the ACD

Nicholas Ian Emmins
Nathan Paul
John Reinsberg
Jeremy Taylor
Hemen Victor Tseayo

Director's Report

The Director presents its report and financial statements of the Lazard Investment Funds ('the Company') for the year ended 30 September 2021.

Incorporation

The Company is an open-ended investment company (OEIC) with variable capital incorporated in England under registration number IC42. The Company is authorised by the Financial Conduct Authority (FCA) as a UK UCITS Scheme as defined in the Collective Investment Schemes Sourcebook (COLL), with ten constituent parts; Lazard Developing Markets Fund, Lazard Emerging Markets Fund, Lazard European Alpha Fund, Lazard European Smaller Companies Fund, Lazard Global Equity Income Fund, Lazard Managed Balanced Fund, Lazard Managed Equity Fund, Lazard Multicap UK Income Fund, Lazard UK Omega Fund, and Lazard UK Smaller Companies Fund. All of these Sub-funds have their own investment objective and policy.

The Company's investment and borrowing powers and restrictions are prescribed by the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) and the COLL as issued and amended by the FCA. Each Sub-fund can have several share classes with different characteristics. As a consequence each share class has a different price. There is a single price for buying, selling and switching shares in each share class of the Sub-funds. This price is derived from the net asset value of each Sub-fund attributable to the relevant share class.

The financial statements have been prepared to cover the year from 1 October 2020 to 30 September 2021.

The shareholders are not liable for the debts of the Company. Each Sub-fund would, if it were a separate investment company with variable capital, be a securities scheme.

Principal Activities

The Company's principal activity is to carry on business as an open-ended investment company.

The Company is structured as an umbrella company so that the Scheme Property of the Company may be divided among two or more Sub-funds. The assets of a Sub-fund belong exclusively to that Sub-fund and cannot be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Sub-fund, and shall not be available for any such purpose. New Sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. If a new Sub-fund is introduced, a new prospectus will be prepared to set out the required information in relation to that Sub-fund.

Environmental, Social and Governance ("ESG")

ESG considerations, including a company's governance policies and board structure, environmental practices and labour policies can affect a security's valuation and financial performance. We aim to invest in enterprises that financially prosper while protecting and preserving human and natural capital. As such, relevant investment professionals integrate ESG analysis into their research and decision-making processes. Our strong sense of fiduciary duty and a robust set of ESG principles drives the engagement we have with the companies we invest in on behalf of our clients.

As an investment manager with a diverse range of investment strategies, the implementation and incorporation of ESG issues into our investment processes is reflected differently across asset classes and strategies. The continued integration of ESG considerations into each of our Funds' investment philosophies is therefore an evolving process. For further information please refer to the [Lazard Sustainable Investment Report 2020](#).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Company Information and Director's Report

Changes to the Prospectus

The prospectus was updated in March 2021. The Company's policy to charge a dilution levy in certain circumstances and, in accordance with the FCA regulations was changed in favour of applying a new pricing methodology called "swing pricing" on a fund-by-fund basis. This came into effect on the 24 March 2021. For more information refer to the latest prospectus section 17.1 "Dilution and Swing Pricing" on the company website www.lazardassetmanagement.com.

Value Assessment

As required by the FCA, we have carried out an annual value assessment of Lazard Investment Funds to determine value delivered to our shareholders. The Value Assessment which details our approach, findings and conclusions for these funds will be published on our website <https://www.lazardassetmanagement.com> by the regulatory deadline of 31 January 2022.

Remuneration Policy (Unaudited)

The ACD has approved and adopted a remuneration policy for the year ended 30 September 2021 (the "Remuneration Policy") which reflects the remuneration practices of the Lazard Asset Management Group of companies. The Remuneration Policy aligns the interests of staff with the long-term interests of clients, the business, shareholders, and other stakeholders. It focuses on performance-related pay, together with an emphasis on ensuring that performance is not achieved by taking risks which fall outside the ACD's risk appetite.

In the ACD's opinion, the Remuneration Policy is proportionate and consistent with sound and effective risk management in accordance with applicable UK UCITS requirements. Details of the ACD's up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration/ benefits, can be accessed from the following website: www.lazardassetmanagement.com/uk/en_uk/remuneration-policy. A paper copy of these policy details is also available free of charge from the ACD upon request.

Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. Under the UCITS V Directive (2014/91/EU), the ACD is required to disclose information relating to the remuneration paid to its staff for the financial year. The table below provides an overview of the following:

- Aggregate total remuneration paid by the ACD to its staff (employees and members)
- Aggregate total remuneration paid by to all relevant UCITS code staff

	Headcount	Total Remuneration (£)
Remuneration paid to staff of the Manager	43	1,280,685
of which		
Fixed remuneration	43	388,704
Variable remuneration	43	891,981
Remuneration paid to UCITS Remuneration Code Staff of the Manager	43	1,280,685
of which		
Fixed remuneration	43	388,704
Variable remuneration	43	891,981

Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets.

During the year to 30 September 2021 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

Holdings in other Sub-funds of the Company

As at 30 September 2021, no Sub-funds held shares in any other Sub-fund of the Company.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Company Information and Director's Report

Results

The results for each Sub-fund are set out in detail in the relevant section of this report.



On behalf of the ACD
Jeremy Taylor

27 January 2022

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Notes to the Financial Statements of all Sub-funds

1 Accounting Policies

a) Basis of accounting

The financial statements of the Company comprise the financial statements of each of the Sub-funds and have been prepared on a going concern basis in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP), as defined within the UK Financial Reporting Standard (FRS 102) and the Statement of Recommended Practice “Financial Statements of UK Authorised Funds” issued by the Investment Management Association (now known as the Investment Association) in May 2014 (the “SORP”), amended in June 2017.

b) Recognition of revenue

Revenue from quoted equities and preference shares is recognised net of attributable tax credits when the security is quoted ex-dividend. Revenue from unquoted equity investments is recognised net of attributable tax credits when the dividend is declared.

Distributions and accumulations, excluding equalisation, receivable on the underlying collective investment schemes are recognised as revenue when the shares are quoted ex-dividend.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Special dividends are treated as either revenue or capital depending on the facts of each particular case.

Interest on debt securities is accounted for on an effective yield basis, calculated with reference to the purchase price. Accrued interest purchased and sold on interest-bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Company.

Underwriting commission is taken to revenue and recognised when the issue takes place except where the Company is required to take up all or some of the shares underwritten in which case an appropriate proportion of the commission is deducted from the cost of those shares.

Interest on bank balances and deposits is recognised on an accruals basis.

US REIT dividend revenue is accounted for partly as revenue and partly as capital, depending on the underlying REIT distribution. All US REIT dividend revenue is recognised on an accruals basis and the allocation between income and capital is estimated when the security goes ex-dividend. US REITs issue information on the revenue/capital split of these dividends on an annual basis based on the calendar year. When this information is received, then the estimated allocation is adjusted accordingly.

c) Treatment of stock dividends

The ordinary element of equity dividends is treated as revenue and forms part of the distribution in accordance with the COLL Sourcebook. In the case of an enhanced equity dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

d) Treatment of expenses

All expenses (other than those relating to the purchase and sale of investments and stamp duty reserve tax) are charged against revenue on an accruals basis. There is a fee cap (0.30%) in place in respect of the Lazard Developing Markets Fund and the Lazard UK Omega Fund only for all expenses (excluding investment management fees), please refer to the Prospectus for more details.

e) Allocation of revenue and expenses to multiple share classes

The allocation of revenue and expenses to each share class is based upon the proportion of the Sub-funds' net assets attributable to each share class, on the day the revenue is earned or expenses are suffered. However, revenue equalisation and annual management charges are specific to each share class.

f) Basis of valuation of investments

The Company has exposure to North/South American and Asia Pacific equities whose closing market prices may be stale at the time that the funds are priced, these stale prices carry potential for arbitrage opportunities as they may not be representative of a fair value given the potential market movements and world events occurring after the market has closed. From 1 February 2018, a fair value pricing strategy was introduced to produce a more accurate asset price. Equity prices which have been adjusted as a result of this policy have been shown as Level 2 in the “Valuation of financial instruments” section of the Financial Instruments note.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Notes to the Financial Statements of all Sub-funds

1 Accounting Policies continued

f) Basis of valuation of investments continued

All investments are unaffected by the above valued at their fair value, being the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. The fair value for non-derivative securities is bid price, excluding any accrued interest and the fair value for forward currency contracts is the unrealised gain or loss at the balance sheet section of the Financial Instruments note of each of the Sub-funds.

g) Exchange rates

Assets and liabilities denominated in foreign currencies have been translated into Pounds Sterling at the rates of exchange ruling at close of business on 30 September 2021. Revenue and expenses in foreign currencies are recorded in Sterling at the rates ruling at the date of the transaction. Gains and losses arising on the translation are reported on as part of the net capital gains/losses for the year.

h) Taxation

Provision is made for taxation at current rates on the excess of investment revenue over expenses, with relief for overseas taxation taken where appropriate.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Capital Gains Tax accruals for unrealised gains are in place for securities held in India. The ACD continues to monitor changes in tax regimes across other jurisdictions but, as at the date of these financial statements, all other overseas capital gains tax is recognised on an accruals basis.

i) Distribution policy

The whole of the net revenue attributable to a share class must be distributed at the year end. For any share class with a deficit of revenue, that deficit will be made up from the capital attributable to that share class.

In order to conduct a controlled distribution flow to shareholders, interim distributions will be at the ACD's discretion, having regard to the policies stated above. Revenue attributable to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue.

Per the prospectus, some sub-funds may have all or part of their management charge payable to the ACD added back to net revenue after taxation for the purposes of calculating the distribution. During the year to 30 September 2021, 100% of the Lazard Multicap UK Income Fund's management charge was added back (2020: 100%), 100% of the Lazard Global Equity Income Fund's management charge was added back (2020: 100%), and in the case of Lazard Managed Balanced Fund 50% was added back (2020: 50%). Marginal tax relief is not applied for Lazard Multicap UK Income Fund.

2 Financial instruments

Each Sub-fund's investment objective and strategy are stated within the investment manager's report for each Sub-fund. In pursuing its objectives, each Sub-fund holds financial instruments which expose the Sub-fund to various types of risk. The main risks and the ACD's policy for managing these risks, which were applied consistently throughout the current and preceding year, are set out below.

Liquidity risk

Liquidity risk is the risk that the Sub-funds cannot raise sufficient cash to meet their liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, the Sub-funds will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the Sub-fund, the Sub-fund may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy, or following a large issue of shares.

The ACD manages the Sub-funds' cash to ensure they can meet their liabilities. The ACD receives daily reports of subscriptions and redemptions enabling the ACD to raise cash from the Sub-funds' portfolio in order to meet redemption requests.

In addition the ACD monitors market liquidity of all securities, seeking to ensure the Sub-funds maintain sufficient liquidity to meet known and potential redemption activity. Sub-fund cash balances are monitored daily by the ACD and Administrator. Where investments cannot be realised in time to meet any potential liability, the Sub-fund may borrow up to 10% of its value to ensure settlement. All of the Sub-funds' financial liabilities are payable on demand or in less than one year.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Notes to the Financial Statements of all Sub-funds

2 Financial instruments continued

Credit risk

Credit risk arises from two main sources. Firstly, the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Secondly, there is counterparty risk, which is the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities, which could result in the Sub-fund suffering a loss.

In order to manage credit risk the Sub-funds are subject to investment limits for issuers of securities. Issuer credit ratings are evaluated periodically and an approved issuer list is maintained and monitored. In addition the Sub-funds only buy and sell investments through brokers which have been approved by the ACD as an acceptable counterparty and limits are set and monitored to cover the exposure to any individual broker. Changes in brokers' financial ratings are periodically reviewed.

Market risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Sub-funds are exposed to market price risk arising from its investments in securities. By diversifying the portfolio, the risk that a price change of a particular investment will have a material impact on the Company is controlled. The Investment Managers manage the Sub-funds' market risk on a daily basis in accordance with a Sub-fund's investment objective, policies and core philosophy. The core philosophy of total performance measurement entails the active management of return, risk and cost. Relative-to-benchmark risk is controlled through the construction of diversified portfolios where exposures to certain market features (such as capitalisation or industry) are limited. All of the securities were designated at fair value through profit or loss at the year end.

The Company may also use derivative instruments to mitigate risk and reduce costs. These instruments are for hedging purposes only and not utilised for speculation. Derivative transactions may be used for the purposes of efficient portfolio management, and the ACD shall ensure that any such use complies with the COLL Rules and any other applicable regulatory guidelines. No derivatives were utilised during the current year.

The ACD adheres to the investment guidelines and borrowing powers established in the Instrument of Incorporation, Prospectus and the COLL governing the operation of open ended investment companies. In this way, the ACD monitors and controls the exposure to risk from any type of security, sector or issuer.

Currency exposure profile

Foreign currency risk is the risk of movements in the value of overseas financial instruments as a result of fluctuations in exchange rates. This risk is managed by the utilisation of forward currency contracts as necessary. Forward currency contracts were not utilised during the current and preceding year.

The currency exposure profile for each Sub-fund is detailed within the financial statements for each Sub-fund.

Interest rate risk profile

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates. With the exception of the Lazard Managed Balanced Fund, the Company's only interest bearing financial instruments were its bank balances and overdraft facilities as disclosed in the Balance Sheet. Cash is deposited, and overdraft facilities utilised, on normal commercial terms and earn or bear interest in commercial terms.

In respect of the Lazard Managed Balanced Fund, this risk is also managed by the active monitoring and adjustment of the credit rating of the portfolios. The interest rate risk profile for this Sub-fund is detailed within the financial statements for the Sub-fund.

Derivative risk

Derivative risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market risk. The disclosures in relation to derivative risk are detailed within the financial statements for each Sub-fund, where relevant.

ESG risk

ESG risk arises from environmental, social, and governance (ESG) related concerns. ESG issues, including a company's governance policies and board structure, environmental practices and labour policies can affect a security's valuation and financial performance. The firm's approach to managing ESG risk is set out in the firm's Sustainable Investment and ESG Policy.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Notes to the Financial Statements of all Sub-funds

2 Financial instruments continued

ESG risk continued

As an active manager with a strong focus on fundamental research, our investment professionals manage ESG risk by incorporating an assessment of human and natural capital, alongside governance, into their research, engagement and decision-making process. Each portfolio management team is responsible for determining the ESG issues that are most relevant to its asset class, investment objective and investment process. The continued integration of ESG considerations into each of the Sub-funds' investment philosophies is therefore an evolving process. For further information please refer to the Lazard Sustainable Investment Report 2020.

Climate risk

Climate change is a global structural change that presents risks and opportunities to both businesses and economies. The physical and transition risks that result from climate change, such as extreme weather events, increased environmental regulation, and rising carbon costs are increasingly impacting the outlook for companies, either through increased risk of business interruption, higher costs of capital for carbon intensive industries, and the potential for stranded assets. In order to ensure that the consideration of climate risk is more fully embedded in our investment decision-making process the firm has developed a Climate Change Investment Policy.

Fair value*

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets and liabilities, as shown in the financial statements, and their fair value.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Notes to the Financial Statements of all Sub-funds

2 Financial instruments continued

Sensitivity analysis

Currency exposure:

The following table details the Sub-funds' sensitivity to a 20% increase or decrease in sterling against the relevant foreign currency and the resultant impact that any such movement would have on the net return and net assets. The sensitivity analysis includes all foreign currency denominated items and adjusts their translation at the year end, for a 20% change in foreign currency rates.

Sub-fund Name	NAV (£'000)	% of portfolio invested in securities not denominated in base currency	Sub-fund return (%) if base currency appreciates by 20%	Change in Sub-fund value if base currency appreciates by 20% (£)
Lazard Developing Markets Fund	43,404	94.7%	(18.9)%	(8,225,023)
Lazard Emerging Markets Fund	407,905	97.1%	(19.4)%	(79,200,602)
Lazard European Alpha Fund	83,974	99.6%	(19.9)%	(16,729,199)
Lazard European Smaller Companies Fund	257,096	69.3%	(13.9)%	(35,623,998)
Lazard Global Equity Income Fund	84,504	91.1%	(18.2)%	(15,393,142)
Lazard Managed Balanced Fund	36,769	27.8%	(5.6)%	(2,041,249)
Lazard Managed Equity Fund	83,100	46.1%	(9.2)%	(7,666,279)
Lazard Multicap UK Income Fund	64,931	2.8%	(0.6)%	(366,777)
Lazard UK Omega Fund	287,627	0.1%	0.0%	(74,090)
Lazard UK Smaller Companies Fund	13,510	0.0%	0.0%	(1,316)

Market risk exposure:

A commonly-used measure of market price risk for equity securities is beta, where a value of 1.0 denotes the portfolio is expected to move in a similar manner to market prices.

The following illustrates the sensitivity of the net return and the net assets to an increase or decrease of 20% in the values of the Sub-funds' listed investments.

Sub-fund Name	NAV (£'000)	Beta (30.09.21)	Sub-fund return (%) if market fall by 20%	Change in Sub-fund value if market falls by 20% (£)
Lazard Developing Markets Fund	43,404	0.96	(19.2)%	(8,328,223)
Lazard Emerging Markets Fund	407,905	0.81	(16.1)%	(65,695,106)
Lazard European Alpha Fund	83,974	1.00	(20.1)%	(16,847,048)
Lazard European Smaller Companies Fund	257,096	0.93	(18.6)%	(47,720,824)
Lazard Global Equity Income Fund	84,504	0.96	(19.1)%	(16,175,555)
Lazard Managed Balanced Fund	36,769	0.72	(14.4)%	(5,296,910)
Lazard Managed Equity Fund	83,100	1.04	(20.8)%	(17,318,816)
Lazard Multicap UK Income Fund	64,931	1.02	(20.4)%	(13,275,140)
Lazard UK Omega Fund	287,627	1.09	(21.7)%	(62,454,910)
Lazard UK Smaller Companies Fund	13,510	0.94	(18.7)%	(2,529,471)

Interest rate exposure:

A bond's sensitivity to interest rates can be expressed in terms of Modified Duration, which gives the estimated percentage change (excluding the minus sign) in portfolio value, associated with a 1% increase in interest rates.

Sub-fund Name	NAV (£'000)	Modified Duration (years)	Sub-fund return (%) if interest rates rise by 1%	Change in Sub-fund value if interest rates rise by 1% (£)
Lazard Managed Balanced Fund	36,769	2.89	(2.9)%	(1,063,063)

3 Swinging Price

The Swing Adjustment may be applied on any dealing day on which dealing occurs at the discretion of the ACD.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Notes to the Financial Statements of all Sub-funds

3 Swinging Price continued

However, in the usual course of business, the Swing Adjustment will be triggered automatically and on a consistent basis depending on whether or not a fund is in a net subscription position or a net redemption position. When dealing in a fund has taken place but a Swing Adjustment is not applied there may be an adverse impact on the total value of the relevant fund.” Swing Adjustment may be applied on any dealing day on which dealing occurs at the discretion of the ACD. However, in the usual course of business, the business, the Swing Adjustment will be triggered automatically and on a consistent basis depending on whether or not a fund is in a net subscription position or a net redemption position. When dealing in a fund has taken place but a Swing Adjustment is not applied there may be an adverse impact on the total value of the relevant fund. The threshold to determine the Swing Adjustment is calculated monthly.

4 Related parties disclosures

The Authorised Corporate Director, (ACD), is Lazard Fund Managers Limited (LFM). The Investment Advisor is Lazard Asset Management Limited (LAM). These companies are regarded as controlling parties by virtue of having the ability to act in concert in respect of the operations of the Company.

All management fees are disclosed in note 4 to the financial statements of each Sub-fund. The balance due to the ACD at the year end in respect of management charges for each Sub-fund are set out below.

	30.09.21 £'000	30.09.20 £'000
Lazard Developing Markets Fund	36	34
Lazard Emerging Markets Fund	326	411
Lazard European Alpha Fund	61	54
Lazard European Smaller Companies Fund	215	174
Lazard Global Equity Income Fund	57	53
Lazard Managed Balanced Fund	24	20
Lazard Managed Equity Fund	69	61
Lazard Multicap UK Income Fund	56	47
Lazard UK Omega Fund	152	116
Lazard UK Smaller Companies Fund	12	8
	1,008	978

All issued and cancelled shares transacted with the ACD are shown in the Statement of change in net assets attributable to Shareholders and balances due from and to the ACD are shown in notes 8 and 9 to the financial statements of each Sub-fund.

5 COVID-19

The coronavirus disease 2019 (COVID-19) global pandemic and the aggressive responses taken by many governments or voluntarily imposed by private parties, including closing borders, restricting travel and imposing prolonged quarantines or similar restrictions, as well as the closure of, or operational changes to, many retail and other businesses, has had negative impacts, and in many cases severe negative impacts, on markets worldwide. It is not known how long such impacts, or any future impacts of other significant events described above, will or would last, but there could be a prolonged period of global economic slowdown, which may be expected to impact the Sub-funds and their investments. The extent of the impact of the coronavirus (“COVID-19”) outbreak on the financial performance of the Company will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.

The impact of COVID-19 on Company operations is minimal with strong operational resilience procedures in place and strong Information Technology infrastructure. There has been consistent ongoing oversight of the Company’s material service providers and assurances provided to the Company where required.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard Developing Markets Fund (the "Sub-fund") is to achieve capital growth over at least 5 years.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund returned 7.15% in sterling terms, against the MSCI Emerging Markets Index, which returned 13.33%⁽¹⁾.

Investment Policy

The Sub-fund will invest at least 70% in equity and equity-related securities of, or relating to, companies domiciled, incorporated, listed in, or which have a significant portion of their business in Developing Market Countries (as defined below). Such securities may include exchange traded and over-the-counter common and preferred stocks, warrants, rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), depositary receipts and preference shares. The Sub-fund is actively managed and may invest in any industry sector.

"Developing Market Countries" includes all countries not represented in the MSCI US Index or the MSCI EAFE Index.

The Sub-fund may also invest in units or shares of other collective investment schemes (which may also include exchange traded funds and listed closed ended vehicles), investment grade government, corporate fixed income securities including convertible debt securities.

The Sub-fund may invest in shares or units of collective investment schemes which are managed or operated by the ACD or an associate of the ACD.

The Sub-fund may use derivatives and forward transactions for the purposes of efficient portfolio management. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the Sub-fund.

Market review

Widely different regional performance occurred across the developing world over the twelve months to September 30, 2021. The period encompassed the November 2020 announcements of coronavirus vaccines, and the beginning of a series of economic recoveries around the world. After a period of dramatic Asian markets outperformance in 2020, this period proved to be something of a reversal. Although all regions finished the period higher, markets in Eastern Europe rose by more than 55% compared with increases of 27% in Latin America and just 14% in Asia.

Equity prices in the Czech Republic and Hungary performed particularly strongly as Europe's vaccination program expanded and an economic rebound took hold. The recovering crude oil price helped share prices in Russia, Saudi Arabia and the Middle East. South African stocks also began to perform on tentative signs of economic improvement after a long and difficult period. Turkish shares rose only modestly as investors continued to question the government's economic and monetary policy.

Latin American markets finished the period significantly higher as investors also began to anticipate economic recoveries. This was despite the generally high coronavirus infection rates that persisted and difficulties obtaining vaccines. Mexican equity prices recovered particularly strongly, helped by the rebound in the US economy, its major trading partner. Peruvian shares fell during the period because of socialist presidential candidate Pedro Castillo's election victory.

Despite a severe period of COVID infections in early 2021, Indian equities rebounded sharply as economic demand accelerated. South East Asian markets were also affected by high infection rates and only witnessed strong stock market performance towards the period's end, as signs of stronger demand materialised. The Chinese market, which had performed relatively well through the pandemic, started to decline in the second quarter of 2021 on slowing growth and a changing regulatory tone from the government. Official comments to reduce profitability for education tutoring firms, restricted gaming for children and considerable fines for some of the large internet firms resulted in investor confusion and share price weakness. This was exacerbated towards the period's end as highly indebted property company Evergrande missed debt payments, raising questions about a larger financial failure.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, A Accumulation share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Portfolio Review

What contributed to Returns

- By sector, Energy, Materials, Information Technology, Financials and Utilities all performed well.
- ICIC Bank, a large private bank in India, outperformed after providing an optimistic outlook on credit growth. Sberbank, the largest bank in Russia, moved higher on the back of strong growth in its retail loan portfolio and fee revenues. Samsung Electronics, a Korean technology company rose on higher memory pricing. Capitec Bank a retail bank in South Africa, outperformed after showing a strong recovery in its reported earnings. Banorte, a large Mexican commercial bank, added positively on the back of better asset quality and interest rate sensitivity tailwinds.
- Stock selection within the consumer staples and financials sectors as well as in Mexico, Russia, South Africa, India, Indonesia, and the Philippines helped performance.
- Lower than index exposure within the consumer discretionary, consumer staples, health care, and real estate sectors as well as to China and Malaysia; and higher than index exposure within the financials, industrials, and information technology sectors as well as to Colombia, Russia, India, and Indonesia added value.

What detracted from Returns

- Consumer Discretionary, Communications Services, and Real Estate all performed poorly.
- Alibaba, a leading Chinese ecommerce platform company, was weak on continued concerns around regulations on the internet space in China. New Oriental Education, a Chinese after-school learning provider in China, underperformed on government prohibiting for profit tutoring. Tencent Music, a Chinese music streaming platform, fell on concerns that monetization would be pushed out in the face of increasing regulation and competition. SJM Holdings, a casino operator in Macau, was lower on concerns of greater regulations on the industry. Ping An Insurance, underperformed after disclosing an ongoing regulatory probe into its past real estate transactions.
- Stock selection within the communication services, consumer discretionary, energy, industrials, information technology, materials, and utilities sectors as well as in Brazil, Peru, China, Korea, and Taiwan detracted value.
- Lower than index exposure within the energy, materials, and utilities sectors as well as to Kuwait, Saudi Arabia, and UAE; and higher than index exposure within the communication services sector as well as to Brazil, Peru and South Africa hurt performance.

Outlook

Looking forward to the fourth quarter and 2022, we remain constructive on equity markets, largely driven by the ongoing progress in fighting the coronavirus, which we believe will reopen markets and allow for continued growth in corporate profits, albeit at a slower pace. We believe inflationary pressures are largely a result of supply chain imbalances and will resolve themselves over time. We expect interest rates will increase as central banks begin tapering. Pent-up demand from 18 months of consumer isolation and labour demand should maintain economic growth at a modest but positive level. Equity market valuations have actually decreased since year end due to strong corporate profit growth. We look for growth levels to subside but remain positive going into 2022.

The uncertainties for us going into the fourth quarter are largely political. It is clear from virtually every free election that demand for greater equity and government spending for social programs is a clarion call. This will likely increase government deficits and raise interest rates and corporate taxes. We expect equity returns will be more muted as a result, with pricier developed markets lagging their inexpensive emerging markets counterparts. A carefully designed bottom-up stock selection strategy offers the potential to be well positioned to deliver superior returns in such an environment.

Fund Manager: James Donald and team

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (95.83%)		41,314	95.18
Brazil (5.96%)		2,032	4.68
Banco Bradesco	252,345	715	1.65
Dexco	173,186	400	0.92
Pagueguro Digital	13,283	509	1.17
Rumo	178,258	408	0.94
Canada (1.26%)		739	1.70
First Quantum Minerals	54,077	739	1.70
China (36.39%)		8,884	20.47
Airtac International	13,000	302	0.70
Alibaba	18,160	1,994	4.59
Chow Tai Seng Jewellery	148,350	338	0.78
GoerTek	104,000	511	1.18
Jiangsu King's Luck Brewery JSC	74,000	385	0.89
Minth	308,000	777	1.79
Ping An Insurance of China	93,000	468	1.08
Tencent	43,000	1,870	4.31
Trip.com	34,459	786	1.81
Weibo	9,324	328	0.75
Wuliangye Yibin	14,300	361	0.83
Xiabuxiabu Catering Management China	316,500	230	0.53
Zhongsheng	89,500	534	1.23
Colombia (0.89%)		1,012	2.33
Bancolombia	39,429	1,012	2.33
Cyprus (1.09%)		—	—
Hong Kong (5.26%)		1,397	3.22
China Gas	211,400	462	1.06
JS Global Lifestyle	305,000	525	1.21
Techtronic Industries	28,259	410	0.95
Hungary (0.00%)		345	0.80
Richter Gedeon Nyrt	17,016	345	0.80
India (9.65%)		5,430	12.51
Bajaj Finance	7,597	579	1.33
HDFC Bank	17,491	948	2.18
ICICI Bank	121,477	1,700	3.92
Motherson Sumi Systems	161,674	362	0.84
Mphasis	17,263	533	1.23
Reliance Industries	31,594	790	1.82
UPL	73,744	518	1.19
Indonesia (2.55%)		1,438	3.31
Bank Central Asia	345,300	622	1.43
Bank Rakyat Indonesia Persero	4,134,831	816	1.88
Mexico (1.26%)		1,161	2.68
Grupo Financiero Banorte	243,200	1,161	2.68
Peru (1.41%)		271	0.62
Credicorp	3,291	271	0.62
Philippines (1.83%)		989	2.28
BDO Unibank	319,200	513	1.18
International Container Terminal Services	166,631	476	1.10
Poland (0.00%)		438	1.01
InPost	35,719	438	1.01
Russia (3.81%)		3,438	7.92
Fix Price	73,101	483	1.11
Mail.Ru	32,014	488	1.13
Novatek	2,248	440	1.01
Sberbank of Russia	382,109	1,324	3.05
Yandex	11,892	703	1.62
South Africa (2.52%)		2,332	5.37
Capitec Bank	12,764	1,145	2.64
Foschini	59,460	400	0.92
Standard Bank	111,490	787	1.81

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
South Korea (10.53%)		5,202	11.98
CJ Logistics	5,158	493	1.13
NAVER	1,203	291	0.67
NCSOFT	636	239	0.55
Samsung Electronics	53,758	2,483	5.72
SK Hynix	16,377	1,050	2.42
WONIK IPS	25,996	646	1.49
Taiwan (9.12%)		5,659	13.04
Airtac International Rights 22/10/2021	603	2	0.01
ASE Technology	337,220	976	2.25
Chroma ATE	112,000	519	1.20
Hiwin Technologies	80,009	653	1.50
Lotes	24,000	353	0.81
MediaTek	16,000	383	0.88
RichWave Technology	79,800	498	1.15
Silicon Motion Technology	14,260	729	1.68
Taiwan Semiconductor Manufacturing	101,000	1,546	3.56
United Kingdom (0.92%)		—	—
United States (1.38%)		547	1.26
Bizlink	92,000	547	1.26
Portfolio of investments (95.83%)		41,314	95.18
Net other assets (4.17%)		2,090	4.82
Net assets attributable to Shareholders		43,404	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.

The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		2,754		1,417
Revenue	3	745		637	
Expenses	4	(546)		(430)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation		199		207	
Taxation	5	(259)		(71)	
Net expense/(revenue) after taxation			(60)		136
Total return before distributions			2,694		1,553
Distributions	7		(105)		(174)
Change in net assets attributable to Shareholders from investment activities			2,589		1,379

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		41,830		63,195
Amounts received on issue of shares	8,245		9,052	
Amounts paid on redemption of shares	(9,377)		(31,978)	
		(1,132)		(22,926)
Dilution adjustment		12		—
Change in net assets attributable to Shareholders from investment activities		2,589		1,379
Retained distribution on accumulation shares		105		182
Closing net assets attributable to Shareholders		43,404		41,830

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			41,314		40,084
Current assets					
Debtors	8	661		297	
Cash and bank balances		2,069		1,658	
Total other assets			2,730		1,955
Total assets			44,044		42,039
Liabilities					
Provision for other liabilities	9		(145)		—
Creditors					
Distribution payable		(1)		—	
Other creditors	10	(494)		(209)	
Total other liabilities			(495)		(209)
Total liabilities			(640)		(209)
Net assets attributable to Shareholders			43,404		41,830

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

1	2	3	4	5	6	7
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The risk and reward category is calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The Sub-fund appears in the higher risk category on the risk and reward indicator.

This is because based on the historic data, the underlying assets within the Sub-fund have shown high volatility.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, the currency of the Sub-fund's investments, your share class and your home currency. This Sub-fund may invest in the securities of developing markets. These markets may be less developed than others and so there is a risk that the Sub-fund may experience greater volatility, delays in buying, selling and claiming ownership of its investments.

Developing markets may also have less developed political, economic and legal systems and there is a higher risk that the Sub-fund may not get back its money.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	128.34	123.71	114.39
Return before operating charges ⁽¹⁾	10.00	6.67	11.48
Operating charges	(1.76)	(1.47)	(1.38)
Return after operating charges	8.24	5.20	10.10
Distributions	(0.34)	(0.57)	(0.78)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	136.24	128.34	123.71
After direct transaction costs of ⁽¹⁾	(0.17)	(0.34)	(0.21)
Performance			
Return after charges	6.42%	4.20%	8.83%
Other information			
Closing net asset value (£'000)	20	19	15
Closing number of shares	14,562	14,764	12,037
Operating charges	1.20%	1.21%	1.18%
Direct transaction costs	0.12%	0.28%	0.18%
Prices			
Highest share price	164.00	135.30	129.20
Lowest share price	128.60	94.14	103.10

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

A Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	134.40	129.01	118.55
Return before operating charges ⁽¹⁾	10.48	6.92	11.88
Operating charges	(1.84)	(1.53)	(1.42)
Return after operating charges	8.64	5.39	10.46
Distributions	(0.35)	(0.57)	(0.88)
Retained distributions on accumulation	0.35	0.57	0.88
Closing net asset value per share	143.04	134.40	129.01
After direct transaction costs of ⁽¹⁾	(0.18)	(0.36)	(0.22)
Performance			
Return after charges	6.43%	4.18%	8.82%
Other information			
Closing net asset value (£'000)	42,152	38,414	61,032
Closing number of shares	29,468,644	28,581,017	47,306,513
Operating charges	1.20%	1.21%	1.17%
Direct transaction costs	0.12%	0.28%	0.18%
Prices			
Highest share price	171.80	141.10	133.90
Lowest share price	134.60	98.16	106.80

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

B Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	126.18	121.71	112.62
Return before operating charges ⁽¹⁾	9.88	6.51	11.25
Operating charges	(2.44)	(2.04)	(1.92)
Return after operating charges	7.44	4.47	9.33
Distributions	—	—	(0.24)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	133.62	126.18	121.71
After direct transaction costs of ⁽¹⁾	(0.17)	(0.34)	(0.21)
Performance			
Return after charges	5.90%	3.67%	8.28%
Other information			
Closing net asset value (£'000)	53	49	55
Closing number of shares	39,566	38,912	45,086
Operating charges	1.70%	1.71%	1.67%
Direct transaction costs	0.12%	0.28%	0.18%
Prices			
Highest share price	160.90	132.90	126.70
Lowest share price	126.40	92.40	101.40

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

B Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	128.10	123.57	114.12
Return before operating charges ⁽¹⁾	10.05	6.60	11.39
Operating charges	(2.48)	(2.07)	(1.94)
Return after operating charges	7.57	4.53	9.45
Distributions	—	—	(0.30)
Retained distributions on accumulation	—	—	0.30
Closing net asset value per share	135.67	128.10	123.57
After direct transaction costs of ⁽¹⁾	(0.17)	(0.34)	(0.21)
Performance			
Return after charges	5.91%	3.67%	8.28%
Other information			
Closing net asset value (£'000)	104	140	124
Closing number of shares	76,922	109,519	100,645
Operating charges	1.70%	1.71%	1.67%
Direct transaction costs	0.12%	0.28%	0.18%
Prices			
Highest share price	163.40	134.90	128.40
Lowest share price	128.30	93.81	102.80

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

C Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	125.94	121.40	112.28
Return before operating charges ⁽¹⁾	9.80	6.54	11.29
Operating charges	(1.49)	(1.28)	(1.18)
Return after operating charges	8.31	5.26	10.11
Distributions	(0.56)	(0.72)	(0.99)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	133.69	125.94	121.40
After direct transaction costs of ⁽¹⁾	(0.17)	(0.34)	(0.21)
Performance			
Return after charges	6.60%	4.33%	9.00%
Other information			
Closing net asset value (£'000)	91	76	243
Closing number of shares	68,438	60,285	200,507
Operating charges	1.04%	1.07%	1.03%
Direct transaction costs	0.12%	0.28%	0.18%
Prices			
Highest share price	161.10	132.80	127.00
Lowest share price	126.20	92.45	101.20

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

C Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	134.88	129.26	118.60
Return before operating charges ⁽¹⁾	10.48	6.97	11.90
Operating charges	(1.62)	(1.35)	(1.24)
Return after operating charges	8.86	5.62	10.66
Distributions	(0.58)	(0.78)	(1.05)
Retained distributions on accumulation	0.58	0.78	1.05
Closing net asset value per share	143.74	134.88	129.26
After direct transaction costs of ⁽¹⁾	(0.18)	(0.36)	(0.22)
Performance			
Return after charges	6.57%	4.35%	8.99%
Other information			
Closing net asset value (£'000)	984	3,132	1,726
Closing number of shares	684,386	2,322,686	1,335,585
Operating charges	1.05%	1.06%	1.02%
Direct transaction costs	0.12%	0.28%	0.18%
Prices			
Highest share price	172.50	141.40	134.10
Lowest share price	135.10	98.44	106.90

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Income				
Group 1	0.3421	—	0.3421	0.5684
Group 2	0.3421	—	0.3421	0.5684
A Accumulation				
Group 1	0.3458	—	0.3458	0.5739
Group 2	0.2080	0.1378	0.3458	0.5739
B Income*				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation*				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Income				
Group 1	0.5629	—	0.5629	0.7062
Group 2	0.2715	0.2914	0.5629	0.7062
C Accumulation				
Group 1	0.5799	—	0.5799	0.7636
Group 2	0.3551	0.2248	0.5799	0.7636

+ Due to expenses exceeding revenue on this class there was no distribution.

Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Income+				
Group 1	—	—	—	—
Group 2	—	—	—	—
A Accumulation+				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Income+				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation+				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Income+				
Group 1	—	—	—	0.0141
Group 2	—	—	—	0.0141
C Accumulation+				
Group 1	—	—	—	0.0198
Group 2	—	—	—	0.0198

+ Due to expenses exceeding revenue on this class there was no distribution.

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains

	30.09.21 £'000	30.09.20 £'000
The net capital gains during the year comprise:		
Non-derivative securities	2,775	1,586
Currency losses	(15)	(153)
Custodian transaction fees	(6)	(16)
Net capital gains	2,754	1,417

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Bank interest	—	1
Non-taxable overseas dividends	557	566
Stock dividends	7	—
UK dividends	2	15
Taxable overseas dividends	179	55
Total revenue	745	637

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	461	367
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	13	10
Safe custody fees	19	14
	32	24
Other expenses:		
ADR fee	5	—
Audit fee	12	11
Legal and other professional fees	33	25
Registration fees	3	3
	53	39
Total expenses	546	430

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	94	33
Overseas capital gains tax	165	38
Total current tax (note 5b)	259	71
Deferred tax (note 5c)	—	—
Total taxation	259	71

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

b) Factors affecting taxation charge for the year

Net revenue before taxation	199	207
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	40	41
Effects of:		
Movement in unrecognised tax losses	78	76
Overseas tax	94	33
Relief on overseas tax expensed	(5)	(1)
Revenue not subject to tax	(113)	(116)
Overseas capital gains tax	165	38
Total current tax (note 5a)	259	71

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £541,000 (2020: £463,000) due to tax losses of £2,704,000 (2020: £2,315,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21	30.09.20
	£'000	£'000
Interest	—	—
Total interest payable and similar charges	—	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21	30.09.20
	£'000	£'000
Final	106	182
Add: Revenue deducted on cancellation of shares	3	3
Less: Revenue received on issue of shares	(4)	(11)
Net distributions for the year	105	174

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21	30.09.20
	£'000	£'000
Net revenue after taxation	(60)	136
Overseas capital gains tax	165	38
Net distributions for the year	105	174

Details of the distributions per share are set out in the tables on page 21.

8 Debtors

	30.09.21	30.09.20
	£'000	£'000
Accrued revenue	50	69
Amounts receivable for FX contracts	308	42
Amounts receivable for issue of shares	—	105
Overseas tax recoverable	2	16
Sales awaiting settlement	301	65
Total debtors	661	297

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

9 Provision for other liabilities

	Overseas capital gains tax provision £'000	Total provision £'000
As at 30 September 2020	—	—
Additions dealt with in Statement of Total Return	145	145
As at 30 September 2021	145	145

There were no provisions for other liabilities in the prior year.

10 Other creditors

	30.09.21 £'000	30.09.20 £'000
Accrued expenses	70	81
Amounts payable for cancellation of shares	31	1
Amounts payable for FX contracts	307	42
Overseas capital gains tax	—	27
Purchases awaiting settlement	86	58
Total other creditors	494	209

11 Contingent assets/(liabilities) and outstanding commitments

There were no contingent assets/(liabilities) or outstanding commitments at the balance sheet date (2020: £nil).

12 Related party disclosures

Details of the related party disclosures are included within note 4 of the notes to the Financial Statements of all Sub-funds on page 11.

13 Financial instruments

Details of the financial instruments risk disclosures are set out in note 2 of the notes to the Financial Statements of all Sub-funds on pages 7 to 9.

a) Currency exposure profile

30.09.21 Currency	Net currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Brazilian Real	—	807	807
Canadian Dollar	—	739	739
China Yuan Renminbi	2	1,605	1,607
Euro	—	441	441
Hong Kong Dollar	6	5,270	5,276
Hungary Forint	—	345	345
Indian Rupee	10	2,645	2,655
Indonesia Rupiah	—	1,438	1,438
Korean Won	—	5,211	5,211
Mexico Peso	—	1,161	1,161
Philippines Peso	—	989	989
South African Rand	—	2,332	2,332
Taiwanese Dollar	30	5,789	5,819
United States Dollar	—	12,357	12,357
	48	41,129	41,177

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

13 Financial instruments continued

a) Currency exposure profile continued

30.09.20 Currency	Net currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Brazilian Real	—	1,481	1,481
Canadian Dollar	—	527	527
China Yuan Renminbi	2	2,014	2,016
Euro	—	5	5
Hong Kong Dollar	7	8,382	8,389
Indian Rupee	—	2,470	2,470
Indonesia Rupiah	—	1,064	1,064
Korean Won	—	4,419	4,419
Mexico Peso	—	528	528
Philippines Peso	—	764	764
South African Rand	—	1,054	1,054
Taiwanese Dollar	24	4,745	4,769
United States Dollar	5	12,310	12,315
	38	39,763	39,801

b) Interest rate risk profile

The Sub-fund's only interest bearing financial instruments at the balance sheet date are represented by its cash balances and overdraft facility, which earn or bear interest in commercial terms.

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	41,314	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	41,314	—
30.09.20		
Level 1: Quoted prices	40,084	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	40,084	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

14 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	17,939	14	0.08	6	0.03
Total	17,939	14		6	
Total purchases including commission and taxes	17,959				
Sales (excluding derivatives)					
Equity transactions (direct)	19,538	16	0.08	18	0.09
Total	19,538	16		18	
Total sales net of transaction costs	19,504				
Total transaction costs		30		24	
Total transaction costs as a % of average net assets		0.07%		0.05%	

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	22,975	20	0.09	9	0.04
Total	22,975	20		9	
Total purchases including commission and taxes	23,004				
Sales (excluding derivatives)					
Equity transactions (direct)	46,032	34	0.07	41	0.09
Total	46,032	34		41	
Total sales net of transaction costs	45,957				
Total transaction costs		54		50	
Total transaction costs as a % of average net assets		0.15%		0.13%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.23% (2020: 0.14%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

15 Share movement

For the year 1 October 2020 to 30 September 2021

	A Income shares	A Accumulation shares	B Income shares	B Accumulation shares	C Income shares	C Accumulation shares
Opening shares	14,764	28,581,017	38,912	109,519	60,285	2,322,686
Shares issued	651	5,240,440	654	13,987	16,417	93,587
Shares redeemed	(853)	(4,352,813)	—	(46,584)	(8,264)	(1,731,887)
Shares converted	—	—	—	—	—	—
Closing shares	14,562	29,468,644	39,566	76,922	68,438	684,386

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Developing Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

16 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	% change
A Income	137.00	134.44	(1.87%)
A Accumulation	143.40	141.15	(1.57%)
B Income	134.00	131.65	(1.75%)
B Accumulation	136.00	133.67	(1.71%)
C Income	134.60	131.98	(1.95%)
C Accumulation	144.10	141.90	(1.53%)

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21 £'000	21.01.22 £'000	% change
A Income	20	20	—
A Accumulation	42,152	43,301	2.73%
B Income	53	53	—
B Accumulation	104	104	—
C Income	91	89	(2.20%)
C Accumulation	984	876	(10.98%)

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard Emerging Markets Fund (the "Sub-fund") is to seek capital growth over at least 5 years.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund returned 26.77% in sterling terms, against the MSCI Emerging Markets (GBP) NDR Index, which returned 13.33%⁽¹⁾.

Investment Policy

The Sub-fund will invest at least 70% in the equity and equity-related securities of, or relating to, companies domiciled, incorporated, listed in, or which have a significant portion of their business in Emerging Market Countries (as defined below). Such securities may include exchange traded and over-the-counter common and preferred stocks, warrants, rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), depository receipts and preference shares. The Sub-fund is actively managed and may invest in any industry sector. "Emerging Market Countries" include all countries represented in the MSCI Emerging Markets Index and any countries (i) having an "emerging stock market" as defined by the International Finance Corporation; (ii) countries with low to middle income economies according to the World Bank; or (iii) countries identified in World Bank publications as developing. The Sub-fund may also invest in units or shares of other collective investment schemes (which may also include exchange traded funds), investment grade government, corporate fixed income securities including convertible debt securities, cash and near cash. The Sub-fund may invest in shares or units of collective investment schemes which are managed or operated by the ACD or an associate of the ACD. The Sub-fund may use derivatives and forward transactions for the purposes of efficient portfolio management. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the Sub-Fund.

Market review

Widely different regional performance occurred across the developing world over the twelve months to September 30, 2021. The period encompassed the November 2020 announcements of coronavirus vaccines, and the beginning of a series of economic recoveries around the world. After a period of dramatic Asian markets outperformance in 2020, this period proved to be something of a reversal. Although all regions finished the period higher, markets in Eastern Europe rose by more than 55% compared with increases of 27% in Latin America and just 14% in Asia.

Equity prices in the Czech Republic and Hungary performed particularly strongly as Europe's vaccination program expanded and an economic rebound took hold. The recovering crude oil price helped share prices in Russia, Saudi Arabia and the Middle East. South African stocks also began to perform on tentative signs of economic improvement after a long and difficult period. Turkish shares rose only modestly as investors continued to question the government's economic and monetary policy.

Latin American markets finished the period significantly higher as investors also began to anticipate economic recoveries. This was despite the generally still high coronavirus infection rates and difficulties obtaining vaccines. Mexican equity prices recovered particularly strongly, helped by the rebound in the US economy, its major trading partner. Peruvian shares fell during the period because of socialist presidential candidate Pedro Castillo's election victory.

Despite a severe period of COVID infections in early 2021, Indian equities rebounded sharply as economic demand accelerated. South East Asian markets were also affected by high infection rates and only witnessed strong stock market performance towards the period's end, as signs of stronger demand materialized. The Chinese market, which had performed relatively well through the pandemic, started to decline in the second quarter of 2021 on slowing growth and a changing regulatory tone from the government. Official comments to reduce profitability for education tutoring firms, restricted gaming for children and considerable fines for some of the large internet firms resulted in investor confusion and share price weakness. This was exacerbated towards the period's end as highly indebted property company Evergrande missed debt payments, raising questions about a larger financial failure.

By sector, Consumer Discretionary, Communications Services, and Real Estate all performed poorly. Energy, Materials, Information Technology, Financials and Utilities all performed well.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, A Accumulation share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Portfolio Review

What contributed to Returns

- Stock selection in the communications services, consumer discretionary, financials and energy sectors, and within China, Taiwan and South Africa boosted relative performance.
- A lower-than-benchmark exposure to the consumer discretionary sector and to China, and a higher-than-benchmark exposure to the energy, financials and materials sectors and to Russia, Hungary and Mexico, contributed positively to returns.
- Korean chipmaker Samsung Electronics rose after securing a US\$6 billion networking equipment order from Verizon. OTP Bank, a financial services firm based in Hungary, reported strong first quarter earnings with profits reaching a historically high level and loan volumes increasing sharply. Sberbank, a Russian bank, guided for higher ROEs and dividend payouts, and market sentiment has improved on the back of higher energy prices and positive views regarding the bank's digital strategy. A spike in both oil and gas prices has benefitted energy companies including Lukoil in Russia. Chinese lender China Merchants Bank traded higher after reporting strong fourth-quarter results, with an improving retail credit cost outlook.

What detracted from Returns

- Stock selection within the consumer staples sector hurt relative performance.
- A lower-than-benchmark exposure to Taiwan detracted from relative performance.
- China-based insurer Ping An Insurance retreated after disclosing an ongoing regulatory probe into its past real estate transactions. Hengan International, a Chinese manufacturer and distributor of personal hygiene products, underperformed along with the consumer discretionary sector, as news on the imminent covid vaccine resulted in a market rotation to more cyclical areas of the market. Chinese cement company Anhui Conch faltered on weaker-than-expected demand, driven by heavy rains, which led to higher inventory levels and weaker pricing. Chinese telecom services company China Mobile faltered after its addition to the list of companies included in an executive order signed by then-US President Donald Trump that barred US investors from investing in companies with links to the Chinese military. Shares of A-Living, a Chinese property management company, were affected by negative sentiment for the property market due to leverage issues surrounding developers and knock-on effects from increased regulatory scrutiny in China.

Outlook

Looking forward to the fourth quarter and 2022, we remain constructive on equity markets, largely driven by the ongoing progress in fighting the coronavirus, which we believe will reopen markets and allow for continued growth in corporate profits, albeit at a slower pace. We believe inflationary pressures are largely a result of supply chain imbalances and will resolve themselves over time. We expect interest rates will increase as central banks begin tapering. Pent-up demand from 18 months of consumer isolation and labour demand should maintain economic growth at a modest but positive level. Equity market valuations have actually decreased since year end due to strong corporate profit growth. We look for growth levels to subside but remain positive going into 2022.

The uncertainties for us going into the fourth quarter are largely political. It is clear from virtually every free election that demand for greater equity and government spending for social programs is a clarion call. This will likely increase government deficits and raise interest rates and corporate taxes. We expect equity returns will be more muted as a result, with pricier developed markets lagging their inexpensive emerging markets counterparts. A carefully designed bottom-up stock selection strategy offers the potential to be well positioned to deliver superior returns in such an environment.

Fund Manager: James Donald and team.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (93.53%)		382,622	93.80
Brazil (4.00%)		28,643	7.02
Banco do Brasil	1,948,662	7,663	1.88
BB Seguridade Participacoes	2,015,175	5,466	1.34
CCR	3,346,810	5,330	1.31
Engie Brasil Energia	526,027	2,681	0.66
Petrobras Distribuidora	952,900	3,044	0.74
Petroleo Brasileiro	581,451	4,459	1.09
China (18.79%)		79,610	19.52
AAC Technologies	789,162	2,789	0.68
A-Living Smart City Services	2,134,500	5,633	1.38
Anhui Conch Cement	1,505,269	6,016	1.48
China Construction Bank	27,855,103	14,628	3.59
China Merchants Bank	1,297,893	7,666	1.88
China Shenhua Energy	4,075,327	7,066	1.73
China Vanke	2,723,600	5,515	1.35
Gree Electric Appliances of Zhuhai	888,600	3,957	0.97
Hengan International	1,294,000	5,129	1.26
Huayu Automotive Systems	484,100	1,269	0.31
Lenovo	1,386,533	1,106	0.27
Ping An Insurance of China	1,301,500	6,547	1.61
Sinopharm	3,394,555	6,565	1.61
Tingyi Cayman Islands	2,040,000	2,814	0.69
Weichai Power	1,892,588	2,910	0.71
Egypt (1.23%)		4,666	1.14
Commercial International Bank Egypt	2,365,043	4,666	1.14
Greece (0.00%)		3,927	0.96
OPAP	343,280	3,927	0.96
Hong Kong (3.08%)		4,713	1.16
ASM Pacific Technology	574,600	4,713	1.16
Hungary (1.71%)		7,554	1.85
OTP Bank Nyrt	174,137	7,554	1.85
India (14.46%)		27,002	6.62
Axis Bank	503,438	3,858	0.95
Bajaj Auto	79,069	3,010	0.74
Bharat Petroleum	524,208	2,260	0.55
Coal India	1,685,186	3,108	0.76
Hero MotoCorp	103,934	2,920	0.72
Indus Towers	1,947,046	5,957	1.46
Petronet LNG	340,276	809	0.20
UPL	723,175	5,080	1.24
Indonesia (3.84%)		18,905	4.63
Astra International	14,170,200	4,020	0.98
Bank Mandiri Persero	20,784,710	6,538	1.60
Telkom Indonesia Persero	443,617	8,347	2.05
Luxembourg (0.81%)		—	—
Mexico (4.06%)		19,193	4.70
America Movil	456,441	5,978	1.46
Grupo Financiero Banorte	1,175,527	5,614	1.38
Grupo Mexico	1,499,348	4,443	1.09
Kimberly-Clark de Mexico	2,589,000	3,158	0.77
Portugal (0.91%)		8,225	2.02
Galp Energia SGPS	976,426	8,225	2.02
Russia (8.35%)		41,761	10.24
Alosa	266,796	361	0.09
Gazprom	905,306	6,702	1.64
LUKOIL	169,255	12,011	2.94
Mobile TeleSystems	1,118,774	7,990	1.96
Sberbank of Russia	2,715,270	9,412	2.31
X5 Retail	219,463	5,285	1.30
South Africa (5.24%)		24,335	5.97
Bidvest	461,512	4,459	1.09

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
South Africa (continued)			
Life Healthcare	3,371,593	3,788	0.93
Nedbank	753,770	6,503	1.60
Sanlam	987,583	3,111	0.76
Standard Bank	504,707	3,562	0.87
Vodacom	410,041	2,912	0.72
South Korea (15.21%)		54,578	13.38
Coway	111,268	5,131	1.26
Hyundai Mobis	31,391	4,975	1.22
KB Financial	209,172	7,232	1.77
KT&G	90,158	4,560	1.12
Samsung Electronics	311,665	14,396	3.53
Shinhan Financial	256,823	6,491	1.59
SK Hynix	183,952	11,793	2.89
Taiwan (6.80%)		38,011	9.32
ASE Technology	2,515,000	7,277	1.78
Globalwafers	167,000	3,534	0.87
Hon Hai Precision Industry	2,287,368	6,394	1.57
Novatek Microelectronics	583,000	6,363	1.56
Quanta Computer	2,829,000	5,829	1.43
Taiwan Semiconductor Manufacturing	243,889	3,733	0.91
Wiwynn	211,000	4,881	1.20
Thailand (1.24%)		7,522	1.84
Kasikornbank	1,285,400	3,747	0.92
Siam Cement	428,350	3,775	0.92
United Kingdom (3.80%)		13,977	3.43
Anglo American	167,175	4,384	1.08
Mondi	159,164	2,911	0.71
Unilever	166,669	6,682	1.64
Mutual Funds (5.14%)		20,660	5.07
Collective Investment Schemes (5.14%)		20,660	5.07
iShares Core MSCI EM IMI UCITS ETF	386,678	10,313	2.53
Vanguard FTSE Emerging Markets UCITS ETF	206,346	10,347	2.54
Portfolio of investments (98.67%)		403,282	98.87
Net other assets (1.33%)		4,623	1.13
Net assets attributable to Shareholders		407,905	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.

The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		112,410		(115,575)
Revenue	3	21,705		23,165	
Expenses	4	(5,458)		(7,063)	
Interest payable and similar charges	6	(2)		—	
Net revenue before taxation		16,245		16,102	
Taxation	5	(4,016)		(2,327)	
Net revenue after taxation			12,229		13,775
Total return before distributions			124,639		(101,800)
Distributions	7		(14,523)		(13,694)
Change in net assets attributable to Shareholders from investment activities			110,116		(115,494)

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		491,470		885,587
Amounts received on issue of shares	87,651		143,699	
Amounts paid on redemption of shares	(290,867)		(431,169)	
		(203,216)		(287,470)
Dilution adjustment		308		—
Change in net assets attributable to Shareholders from investment activities		110,116		(115,494)
Retained distribution on accumulation shares		9,227		8,847
Closing net assets attributable to Shareholders		407,905		491,470

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			403,282		484,923
Current assets					
Debtors	8	8,836		2,924	
Cash and bank balances		8,990		7,564	
Total other assets			17,826		10,488
Total assets			421,108		495,411
Liabilities					
Provision for other liabilities	9		(761)		—
Creditors					
Bank overdrafts		(2)		(2)	
Distribution payable		(2,976)		(1,880)	
Other creditors	10	(9,464)		(2,059)	
Total other liabilities			(12,442)		(3,941)
Total liabilities			(13,203)		(3,941)
Net assets attributable to Shareholders			407,905		491,470

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

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

The risk and reward category is calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The Sub-fund appears in the higher risk category on the risk and reward indicator.

This is because based on historic data, the underlying assets with the Sub-fund have shown high volatility.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, the currency of the Sub-fund's investments, your share class and your home currency.

This Sub-fund will invest in the securities of emerging markets. These markets may be less developed than others and so there is a greater risk that the Sub-fund may experience greater volatility, delays in buying, selling and claiming ownership of its investments. Emerging markets may also have less developed political, economic and legal systems and there is a higher risk that the Sub-fund may not get back its money.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	235.23	280.76	271.48
Return before operating charges ⁽¹⁾	66.20	(37.34)	18.68
Operating charges	(3.15)	(2.78)	(2.99)
Return after operating charges	63.05	(40.12)	15.69
Distributions	(8.73)	(5.41)	(6.41)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	289.55	235.23	280.76
After direct transaction costs of ⁽¹⁾	(0.52)	(0.49)	(0.21)
Performance			
Return after charges	26.80%	(14.29%)	5.78%
Other information			
Closing net asset value (£'000)	51,191	63,166	101,249
Closing number of shares	17,679,332	26,852,681	36,062,131
Operating charges	1.11%	1.08%	1.08%
Direct transaction costs	0.18%	0.19%	0.08%
Prices			
Highest share price	305.50	300.70	298.00
Lowest share price	235.20	210.50	253.40

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

A Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	307.95	358.90	339.27
Return before operating charges ⁽¹⁾	86.61	(47.38)	23.38
Operating charges	(4.13)	(3.57)	(3.75)
Return after operating charges	82.48	(50.95)	19.63
Distributions	(11.47)	(6.95)	(8.04)
Retained distributions on accumulation	11.47	6.95	8.04
Closing net asset value per share	390.43	307.95	358.90
After direct transaction costs of ⁽¹⁾	(0.69)	(0.63)	(0.27)
Performance			
Return after charges	26.78%	(14.20%)	5.79%
Other information			
Closing net asset value (£'000)	180,111	264,264	375,164
Closing number of shares	46,131,489	85,812,547	104,530,176
Operating charges	1.11%	1.08%	1.08%
Direct transaction costs	0.18%	0.19%	0.08%
Prices			
Highest share price	401.70	384.40	374.30
Lowest share price	307.80	270.60	316.70

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

B Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	236.54	282.12	272.83
Return before operating charges ⁽¹⁾	66.50	(37.36)	18.68
Operating charges	(4.58)	(4.09)	(4.39)
Return after operating charges	61.92	(41.45)	14.29
Distributions	(7.35)	(4.13)	(5.00)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	291.11	236.54	282.12
After direct transaction costs of ⁽¹⁾	(0.53)	(0.49)	(0.21)
Performance			
Return after charges	26.18%	(14.69%)	5.24%
Other information			
Closing net asset value (£'000)	9,045	8,948	18,580
Closing number of shares	3,107,225	3,782,648	6,585,742
Operating charges	1.61%	1.58%	1.58%
Direct transaction costs	0.18%	0.19%	0.08%
Prices			
Highest share price	306.80	301.80	299.00
Lowest share price	236.40	211.70	254.60

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

B Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	290.93	340.80	323.78
Return before operating charges ⁽¹⁾	81.72	(44.92)	22.24
Operating charges	(5.64)	(4.95)	(5.22)
Return after operating charges	76.08	(49.87)	17.02
Distributions	(9.05)	(5.01)	(6.00)
Retained distributions on accumulation	9.05	5.01	6.00
Closing net asset value per share	367.01	290.93	340.80
After direct transaction costs of ⁽¹⁾	(0.65)	(0.60)	(0.25)
Performance			
Return after charges	26.15%	(14.63%)	5.26%
Other information			
Closing net asset value (£'000)	10,895	14,906	26,016
Closing number of shares	2,968,485	5,123,557	7,633,901
Operating charges	1.61%	1.58%	1.58%
Direct transaction costs	0.18%	0.19%	0.08%
Prices			
Highest share price	378.20	364.50	355.80
Lowest share price	290.60	256.30	302.20

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

J Accumulation

	30.09.21+ (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	100.00	—	—
Return before operating charges	3.90	—	—
Operating charges	(0.43)	—	—
Return after operating charges	3.47	—	—
Distributions	(2.33)	—	—
Retained distributions on accumulation	2.33	—	—
Closing net asset value per share	103.47	—	—
After direct transaction costs of ⁽¹⁾	(0.07)	—	—
Performance			
Return after charges	3.47%	—	—
Other information			
Closing net asset value (£'000)	51,452	—	—
Closing number of shares	49,725,264	—	—
Operating charges	1.12%	—	—
Direct transaction costs	0.50%	—	—
Prices			
Highest share price	106.30	—	—
Lowest share price	99.97	—	—

+ Share class launched on 18.05.2021.

S Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	95.18	113.64	109.88
Return before operating charges ⁽¹⁾	26.79	(15.14)	7.56
Operating charges	(1.10)	(0.98)	(1.04)
Return after operating charges	25.69	(16.12)	6.52
Distributions	(3.71)	(2.34)	(2.76)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	117.16	95.18	113.64
After direct transaction costs of ⁽¹⁾	(0.21)	(0.20)	(0.09)
Performance			
Return after charges	26.99%	(14.19%)	5.93%
Other information			
Closing net asset value (£'000)	56,649	56,232	271,328
Closing number of shares	48,350,193	59,080,482	238,752,042
Operating charges	0.96%	0.94%	0.93%
Direct transaction costs	0.18%	0.19%	0.08%
Prices			
Highest share price	123.60	121.80	120.70
Lowest share price	95.16	85.18	102.60

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

S Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	111.83	130.11	122.81
Return before operating charges ⁽¹⁾	31.46	(17.16)	8.47
Operating charges	(1.30)	(1.12)	(1.17)
Return after operating charges	30.16	(18.28)	7.30
Distributions	(4.37)	(2.71)	(3.10)
Retained distributions on accumulation	4.37	2.71	3.10
Closing net asset value per share	141.99	111.83	130.11
After direct transaction costs of ⁽¹⁾	(0.25)	(0.23)	(0.10)
Performance			
Return after charges	26.97%	(14.05%)	5.94%
Other information			
Closing net asset value (£'000)	48,562	83,954	93,250
Closing number of shares	34,202,079	75,073,865	71,668,140
Operating charges	0.96%	0.93%	0.93%
Direct transaction costs	0.18%	0.19%	0.08%
Prices			
Highest share price	146.00	139.40	135.70
Lowest share price	111.80	98.19	114.60

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Income				
Group 1	7.3202	—	7.3202	3.4108
Group 2	4.1992	3.1210	7.3202	3.4108
A Accumulation				
Group 1	9.6228	—	9.6228	4.4009
Group 2	5.8191	3.8037	9.6228	4.4009
B Income				
Group 1	6.6100	—	6.6100	2.8240
Group 2	4.5362	2.0738	6.6100	2.8240
B Accumulation				
Group 1	8.1411	—	8.1411	3.4347
Group 2	5.5924	2.5487	8.1411	3.4347
J Accumulation*				
Group 1	2.3292	—	2.3292	—
Group 2	0.7469	1.5823	2.3292	—
S Income				
Group 1	3.0529	—	3.0529	1.4509
Group 2	1.9699	1.0830	3.0529	1.4509
S Accumulation				
Group 1	3.6027	—	3.6027	1.6807
Group 2	2.2355	1.3672	3.6027	1.6807

+ Share class launched on 18.05.2021.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Distribution tables continued

for the year ended 30 September 2021

Dividend distribution in pence per share.

Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Income				
Group 1	1.4094	—	1.4094	1.9957
Group 2	0.5827	0.8267	1.4094	1.9957
A Accumulation				
Group 1	1.8489	—	1.8489	2.5516
Group 2	0.4812	1.3677	1.8489	2.5516
B Income				
Group 1	0.7358	—	0.7358	1.3031
Group 2	0.3263	0.4095	0.7358	1.3031
B Accumulation				
Group 1	0.9052	—	0.9052	1.5727
Group 2	0.3479	0.5573	0.9052	1.5727
J Accumulation+				
Group 1	—	—	—	—
Group 2	—	—	—	—
S Income				
Group 1	0.6543	—	0.6543	0.8902
Group 2	0.2742	0.3801	0.6543	0.8902
S Accumulation				
Group 1	0.7693	—	0.7693	1.0247
Group 2	0.2695	0.4998	0.7693	1.0247

+ Share class launched on 18.05.2021.

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains/(losses)

	30.09.21 £'000	30.09.20 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	112,352	(115,082)
Forward currency contracts	(1)	—
Currency gains/(losses)	88	(446)
Custodian transaction fees	(29)	(47)
Net capital gains/(losses)	112,410	(115,575)

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Bank interest	1	13
Non-taxable overseas dividends	15,624	18,618
Stock dividends	134	—
UK dividends	791	169
Taxable overseas dividends	5,155	4,365
Total revenue	21,705	23,165

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	4,941	6,503
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	136	178
Safe custody fees	188	258
	324	436
Other expenses:		
ADR fee	83	66
Audit fee	12	11
Legal and other professional fees	79	13
Non-audit fees paid to the auditor	13	26
Registration fees	6	8
	193	124
Total expenses	5,458	7,063

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	2,699	2,410
Overseas capital gains tax	2,293	(83)
Total current tax (note 5b)	4,992	2,327
Deferred tax (note 5c)	—	—
Overseas tax recoverable previously held at source	(976)	—
Total taxation	4,016	2,327

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

b) Factors affecting taxation charge for the year

Net revenue before taxation	16,245	16,102
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	3,249	3,220
Effects of:		
Movement in unrecognised tax losses	199	636
Overseas tax	2,699	2,410
Relief on overseas tax expensed	(138)	(99)
Revenue not subject to tax	(3,310)	(3,757)
Overseas capital gains tax	2,293	(83)
Unaccounted reclaims received	(976)	—
Total current tax (note 5a)	4,016	2,327

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £10,437,000 (2020: £10,238,000) due to tax losses of £52,185,000 (2020: £51,190,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21	30.09.20
	£'000	£'000
Interest	2	—
Total interest payable and similar charges	2	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21	30.09.20
	£'000	£'000
Interim	2,838	5,305
Final	10,047	7,094
	12,885	12,399
Add: Revenue deducted on cancellation of shares	2,602	1,908
Less: Revenue received on issue of shares	(964)	(613)
Net distributions for the year	14,523	13,694

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21	30.09.20
	£'000	£'000
Net revenue after taxation	12,229	13,775
Add: Equalisation on conversions	1	2
Overseas capital gains tax	2,293	(83)
Net distributions for the year	14,523	13,694

Details of the distributions per share are set out in the tables on pages 38 to 39.

8 Debtors

	30.09.21	30.09.20
	£'000	£'000
Accrued revenue	864	1,352
Amounts receivable for FX contracts	2,792	54
Amounts receivable for issue of shares	9	1,473
Overseas tax recoverable	1,150	44
Prepaid expenses	—	1
Sales awaiting settlement	4,021	—
Total debtors	8,836	2,924

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

9 Provision for other liabilities

	Overseas capital gains tax provision £'000	Total provision £'000
As at 30 September 2020	—	—
Additions dealt with in Statement of Total Return	761	761
As at 30 September 2021	761	761

There were no provisions for other liabilities in the prior year.

10 Other creditors

	30.09.21 £'000	30.09.20 £'000
Accrued expenses	436	516
Amounts payable for cancellation of shares	4,252	759
Amounts payable for FX contracts	2,794	54
Overseas capital gains tax	—	677
Purchases awaiting settlement	1,982	53
Total other creditors	9,464	2,059

11 Contingent assets/(liabilities) and outstanding commitments

There were no contingent assets/(liabilities) or outstanding commitments at the balance sheet date (2020: £nil).

12 Related party disclosures

Details of the related party disclosures are included within note 4 of the notes to the Financial Statements of all Sub-funds on page 11.

13 Financial instruments

Details of the financial instruments risk disclosures are set out in note 2 of the notes to the Financial Statements of all Sub-funds on pages 7 to 9.

a) Currency exposure profile

30.09.21 Currency	Net currency assets/(liabilities)		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Brazilian Real	78	23,806	23,884
China Yuan Renminbi	(1)	5,637	5,636
Euro	—	18,947	18,947
Hong Kong Dollar	—	78,852	78,852
Hungary Forint	—	7,554	7,554
Indian Rupee	1,250	27,664	28,914
Indonesia Rupiah	—	10,602	10,602
Korean Won	—	54,634	54,634
Mexico Peso	—	13,215	13,215
South African Rand	—	24,435	24,435
Taiwanese Dollar	576	38,352	38,928
Thailand Baht	—	7,522	7,522
United States Dollar	—	86,168	86,168
	1,903	397,388	399,291

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

13 Financial instruments continued

a) Currency exposure profile continued

30.09.20 Currency	Net currency assets/(liabilities)		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Brazilian Real	26	19,644	19,670
China Yuan Renminbi	—	112	112
Euro	(2)	15,108	15,106
Hong Kong Dollar	—	91,545	91,545
Hungary Forint	—	8,406	8,406
Indian Rupee	1	58,287	58,288
Indonesia Rupiah	—	12,363	12,363
Korean Won	—	74,839	74,839
Mexico Peso	—	9,971	9,971
South African Rand	—	25,799	25,799
Taiwanese Dollar	—	33,603	33,603
Thailand Baht	—	6,099	6,099
United States Dollar	—	121,785	121,785
	25	477,561	477,586

b) Interest rate risk profile

The Sub-fund's only interest bearing financial instruments at the balance sheet date are represented by its cash balances and overdraft facility, which earn or bear interest in commercial terms.

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	403,282	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	403,282	—
30.09.20		
Level 1: Quoted prices	484,923	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	484,923	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

14 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	177,944	152	0.09	89	0.05
Collective investment schemes	21,383	11	0.05	—	—
Total	199,327	163		89	
Total purchases including commission and taxes	199,579				
Sales (excluding derivatives)					
Equity transactions (direct)	365,287	314	0.09	359	0.10
Collective investment schemes	29,427	14	0.05	—	—
Total	394,714	328		359	
Total sales net of transaction costs	394,027				
Total transaction costs		491		448	
Total transaction costs as a % of average net assets		0.09%		0.09%	

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	222,894	171	0.08	159	0.07
Collective investment schemes	29,057	26	0.09	—	—
Total	251,951	197		159	
Total purchases including commission and taxes	252,307				
Sales (excluding derivatives)					
Equity transactions (direct)	517,874	441	0.09	472	0.09
Collective Investment Schemes	9,867	4	0.04	—	—
Total	527,741	445		472	
Total sales net of transaction costs	526,824				
Total transaction costs		642		631	
Total transaction costs as a % of average net assets		0.10%		0.09%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.17% (2020: 0.15%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Emerging Markets Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

15 Share movement

For the year 1 October 2020 to 30 September 2021

	A Income shares	A Accumulation shares	B Income shares	B Accumulation shares	J Accumulation shares	S Income shares	S Accumulation shares
Opening shares	26,852,681	85,812,547	3,782,648	5,123,557	—	59,080,482	75,073,865
Shares issued	265,870	3,539,992	36,279	166,233	49,841,638	4,275,113	14,118,002
Shares redeemed	(9,458,255)	(42,914,665)	(688,299)	(2,293,772)	(116,374)	(15,022,168)	(55,899,787)
Shares converted	19,036	(306,385)	(23,403)	(27,533)	—	16,766	909,999
Closing shares	17,679,332	46,131,489	3,107,225	2,968,485	49,725,264	48,350,193	34,202,079

16 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	% change
A Income	296.70	292.20	(1.52%)
A Accumulation	390.20	394.09	1.00%
B Income	297.60	293.33	(1.43%)
B Accumulation	366.80	369.87	0.84%
S Income	120.20	118.29	(1.59%)
S Accumulation	141.90	143.38	1.04%
J Accumulation	103.40	104.60	1.16%

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21 £'000	21.01.22 £'000	% change
A Income	51,191	49,624	(3.06%)
A Accumulation	180,111	176,104	(2.22%)
B Income	9,045	8,816	(2.53%)
B Accumulation	10,895	10,421	(4.35%)
S Income	56,649	54,653	(3.52%)
S Accumulation	48,562	51,629	6.32%
J Accumulation	51,452	53,246	3.49%

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard European Alpha Fund (the "Sub-fund") is to achieve capital growth, net of fees, in excess of the FTSE World Europe ex. UK Index, measured in sterling, over at least 5 years.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund returned 18.70% in sterling terms, against the FTSE World Europe ex UK Index, which returned 21.23%⁽¹⁾.

Investment Policy

The Sub-fund will invest at least 80% in equities and equity-related securities (namely, shares, common and preferred stock, warrants and rights). The Sub-fund will typically consist of between 45 to 60 holdings in European companies. The Sub-fund is actively managed and may invest in companies in any industry sector and of any market capitalisation. The Sub-fund may also invest in units or shares of other collective investment schemes (which may also include exchange traded funds), debt-related issues of continental European markets, cash and near cash.

The Sub-fund may invest in shares or units of collective investment schemes which are managed or operated by the ACD or an associate of the ACD. The Sub-fund may use derivatives and forward transactions for the purposes of efficient portfolio management. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the Sub-fund.

Market review

European markets continued their strong recovery over the twelve-month period, as the roll out of vaccine programmes permitted a phased reopening of European economies. Early in the period, European Union leaders approved a historic pandemic rescue package worth €1.8 trillion (including the €800 billion EU Recovery Fund) and the EU-UK trade deal was finally signed. Corporate earnings momentum gained momentum through the period, as major EU countries caught up to the US and UK on vaccination rates, raising the prospect for a major growth rebound. Economic reopening continued to accelerate, with the opening of hospitality and travel, boosting spending on services. In the latter portion of the period, inflation began to weight on the minds of investors. A range of cost inputs including supply chain bottlenecks, rising energy costs, and labour shortages began to feed raise the cost of production. Central Banks in other parts of the world started to talk about adjusting their policy stances in response to price increases, however this is some way off in Europe. Eurozone Manufacturing and Services PMI rose to a 15-year peak in the summer before moderating amidst input shortages in both manufacturing and service sectors. In politics, Germany held a general election which saw the Social Democrats (SPD) take the largest share of the votes. The ultimate outcome should be a coalition of moderate parties – a positive for markets generally. From a sector perspective, the best performing sectors were financials, energy, and technology, whereas utilities, consumer staples, and health care lagged the index.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, A Income share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Portfolio Review

What contributed to Returns

- Stock selection in financials and consumer discretionary contributed to performance.
- Our overweight position in Porsche contributed to performance. In Q1 2021, strong full-year results from Volkswagen (of which Porsche is a holding company) supported the share price, and there was also speculation about a potential IPO of the Porsche business which was well-received. More recently it benefited from an increased appreciation of Volkswagen's position as the most advanced OEM in the shift towards electric vehicles.
- Not owning Nestle contributed positively. Performance in shares of the Swiss consumer goods company struggled in the twelve-month period, in part due to bond proxy stocks becoming relatively less attractive in a rising yield environment.

What detracted from Returns

- Stock selection in technology and industrials detracted from performance.
- In health care, our overweight position in pharmaceutical company, Novartis, detracted as it underperformed the sector and the wider market. The company delivered solid financial results, however disappointing clinical trial results and an expensive acquisition weighed on shares.
- Shares in German-listed global software business, SAP, fell sharply in October 2020 following third quarter results. Although results were only slightly below expectations, management's longer-term guidance was negative and caused the share price to drop more than 30%. The acceleration of the move to cloud and some COVID-related slowing in activity is understandable, but we felt the magnitude of the reset was beyond what could be explained by current trading activity. Shares have yet to regain these losses.

Outlook

In general, the economic recovery is still on track and the virus is more of a hindrance than an obstacle. However, European economies are experiencing significant price increases across an array of commodities and input components, particularly natural gas with knock-on effects to electricity. As such, there is a real chance that inflation will be more pronounced than expected, at least in the short term. Labour inflation, on the other hand, may be more sticky medium term.

Equity market participants should also be increasingly wary of the gap in valuations between the top and bottom quartiles of the European market when selecting securities. Despite the stretched valuations in some parts of the market, there are currently a range of companies that look to contain extremely good value and that have improving prospects.

This continues to be a complicated, nuanced, and highly dispersed market and economic situation. Once again, we believe active management is well placed to parse the potential effects of valuation distortions, growth disruption, inflation, central bank tapering and changes to global climate regulation and policy.

Fund Manager: Aaron Barnfather and Paul Selvey-Clinton

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (99.61%)		84,073	100.12
Austria (1.41%)		1,302	1.55
BAWAG	27,519	1,302	1.55
Belgium (0.00%)		1,506	1.79
Azelis	26,127	597	0.71
D'ieteren	8,329	909	1.08
Denmark (6.28%)		6,582	7.84
Carlsberg series 'B' shares	15,873	1,927	2.30
Genmab	3,606	1,169	1.39
Novo Nordisk	22,390	1,607	1.91
Vestas Wind Systems	62,895	1,879	2.24
Finland (0.67%)		1,722	2.05
Nordea Bank	179,482	1,722	2.05
France (20.49%)		24,490	29.16
Air Liquide	24,856	2,961	3.53
Alstom	13,974	394	0.47
AXA	117,013	2,422	2.88
BNP Paribas	28,603	1,362	1.62
Bureau Veritas	47,826	1,098	1.31
Capgemini	11,909	1,843	2.19
Engie	180,679	1,761	2.10
Eurazeo	17,208	1,202	1.43
Kering	2,122	1,123	1.34
Legrand	12,595	1,004	1.20
LVMH Moët Hennessy	3,515	1,873	2.23
Orange	104,094	837	1.00
Pernod Ricard	7,801	1,278	1.52
Sanofi	35,193	2,513	2.99
SPIE	36,393	615	0.73
TotalEnergies	62,042	2,204	2.62
Germany (21.31%)		11,903	14.17
Adidas	8,025	1,881	2.24
Continental	14,442	1,178	1.40
Covestro	26,083	1,331	1.58
CTS Eventim	9,549	535	0.64
Delivery Hero	6,965	663	0.79
Infineon Technologies	33,351	1,021	1.22
Kion	6,734	468	0.56
MTU Aero Engines	10,586	1,784	2.12
Porsche non-voting preference shares	20,629	1,523	1.81
Scout24	9,589	494	0.59
Vitesco Technologies	2,411	107	0.13
Vonovia	20,513	918	1.09
Italy (5.40%)		1,330	1.58
BFF Bank	184,392	1,330	1.58
Netherlands (9.06%)		8,379	9.98
Akzo Nobel	23,885	1,936	2.30
ASML	3,367	1,869	2.23
Koninklijke DSM	14,834	2,201	2.62
Prosus	12,177	722	0.86
Universal Music	83,113	1,651	1.97
Norway (0.58%)		1,119	1.33
Equinor	59,220	1,119	1.33
Poland (0.00%)		743	0.89
InPost	60,597	743	0.89
Portugal (2.03%)		1,674	1.99
EDP Energias	173,295	675	0.80
Galp Energia	118,657	999	1.19
Republic of Ireland (2.48%)		2,308	2.75
Kerry	12,711	1,267	1.51
Ryanair	12,746	1,041	1.24

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Spain (3.01%)		2,768	3.30
Banco Santander	448,148	1,208	1.44
Industria de Diseno Textil	27,142	742	0.88
Mediaset Espana Comunicacion	193,844	818	0.98
Sweden (3.12%)		1,818	2.17
Hexagon series 'B' shares	49,938	574	0.69
Sandvik	72,936	1,244	1.48
Switzerland (15.60%)		11,294	13.45
ABB	103,451	2,582	3.07
Alcon	35,915	2,171	2.59
Novartis	47,103	2,877	3.43
Roche Holding	13,479	3,664	4.36
United Kingdom (8.17%)		5,135	6.12
Allfunds	72,696	1,046	1.24
Coca-Cola European Partners	37,691	1,541	1.84
RELX	53,829	1,156	1.38
Unilever	34,725	1,392	1.66
Portfolio of investments (99.61%)		84,073	100.12
Net other liabilities (0.39%)		(99)	(0.12)
Net assets attributable to Shareholders		83,974	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.

The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		12,854		558
Revenue	3	2,042		1,341	
Expenses	4	(765)		(711)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation		1,277		630	
Taxation	5	(290)		(62)	
Net revenue after taxation			987		568
Total return before distributions			13,841		1,126
Distributions	7		(987)		(577)
Change in net assets attributable to Shareholders from investment activities			12,854		549

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		74,466		80,067
Amounts received on issue of shares	4,518		1,679	
Amounts paid on redemption of shares	(8,480)		(8,205)	
		(3,962)		(6,526)
Change in net assets attributable to Shareholders from investment activities		12,854		549
Retained distribution on accumulation shares		615		375
Unclaimed distributions		1		1
Closing net assets attributable to Shareholders		83,974		74,466

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			84,073		74,178
Current assets					
Debtors	8	1,003		662	
Cash and bank balances		745		814	
Total other assets			1,748		1,476
Total assets			85,821		75,654
Liabilities					
Creditors					
Distribution payable		(276)		(162)	
Other creditors	9	(1,571)		(1,026)	
Total other liabilities			(1,847)		(1,188)
Total liabilities			(1,847)		(1,188)
Net assets attributable to Shareholders			83,974		74,466

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

1	2	3	4	5	6	7
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The risk and reward categories above are calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The risk rating of this share class is calculated on the basis of historic volatility – i.e. how much the value of the underlying assets of the Sub-fund has fluctuated over the last 5 years.

This share class has been placed in the risk category stated above, because based on the historic data, the underlying assets within the Sub-fund have shown moderately high volatility.

Please note, there are other risks that may not be reflected in the risk and reward categories above. Some of these risks are summarised below.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, the currency of the Sub-fund's investments, your share class and your home currency.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	780.67	772.04	770.28
Return before operating charges ⁽¹⁾	154.90	21.62	23.08
Operating charges	(9.36)	(8.17)	(7.95)
Return after operating charges	145.54	13.45	15.13
Distributions	(9.29)	(4.82)	(13.37)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	916.92	780.67	772.04
After direct transaction costs of ⁽¹⁾	(1.08)	(0.95)	(0.97)
Performance			
Return after charges	18.64%	1.74%	1.96%
Other information			
Closing net asset value (£'000)	7,375	6,534	4,637
Closing number of shares	804,294	836,925	600,574
Operating charges	1.07%	1.08%	1.08%
Direct transaction costs	0.12%	0.13%	0.13%
Prices			
Highest share price	958.30	824.50	805.70
Lowest share price	727.80	567.80	657.90

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

A Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	103.42	101.65	99.69
Return before operating charges ⁽¹⁾	20.52	2.85	2.99
Operating charges	(1.24)	(1.08)	(1.03)
Return after operating charges	19.28	1.77	1.96
Distributions	(1.23)	(0.63)	(1.79)
Retained distributions on accumulation	1.23	0.63	1.79
Closing net asset value per share	122.70	103.42	101.65
After direct transaction costs of ⁽¹⁾	(0.14)	(0.12)	(0.13)
Performance			
Return after charges	18.65%	1.75%	1.97%
Other information			
Closing net asset value (£'000)	5,178	4,633	4,852
Closing number of shares	4,219,649	4,480,312	4,772,986
Operating charges	1.07%	1.08%	1.08%
Direct transaction costs	0.12%	0.13%	0.13%
Prices			
Highest share price	127.20	108.57	104.28
Lowest share price	96.40	74.75	85.14

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

B Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	782.42	773.87	772.25
Return before operating charges ⁽¹⁾	155.04	21.47	22.85
Operating charges	(13.74)	(11.95)	(11.63)
Return after operating charges	141.30	9.52	11.22
Distributions	(5.00)	(0.97)	(9.60)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	918.72	782.42	773.87
After direct transaction costs of ⁽¹⁾	(1.08)	(0.95)	(0.97)
Performance			
Return after charges	18.06%	1.23%	1.45%
Other information			
Closing net asset value (£'000)	7,664	6,163	8,830
Closing number of shares	834,170	787,658	1,141,036
Operating charges	1.57%	1.58%	1.58%
Direct transaction costs	0.12%	0.13%	0.13%
Prices			
Highest share price	957.70	822.60	804.50
Lowest share price	729.10	567.80	658.70

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

B Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	895.53	884.68	872.08
Return before operating charges ⁽¹⁾	177.46	24.51	25.73
Operating charges	(15.73)	(13.66)	(13.13)
Return after operating charges	161.73	10.85	12.60
Distributions	(5.64)	(0.61)	(10.81)
Retained distributions on accumulation	5.64	0.61	10.81
Closing net asset value per share	1,057.26	895.53	884.68
After direct transaction costs of ⁽¹⁾	(1.24)	(1.08)	(1.09)
Performance			
Return after charges	18.06%	1.23%	1.44%
Other information			
Closing net asset value (£'000)	1,259	1,114	1,376
Closing number of shares	119,136	124,447	155,589
Operating charges	1.57%	1.58%	1.58%
Direct transaction costs	0.12%	0.13%	0.13%
Prices			
Highest share price	1,096.00	940.40	908.40
Lowest share price	834.40	649.10	743.80

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

C Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	775.18	766.82	765.09
Return before operating charges ⁽¹⁾	153.86	21.26	22.97
Operating charges	(7.13)	(6.24)	(6.07)
Return after operating charges	146.73	15.02	16.90
Distributions	(11.41)	(6.66)	(15.17)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	910.50	775.18	766.82
After direct transaction costs of ⁽¹⁾	(1.07)	(0.94)	(0.96)
Performance			
Return after charges	18.93%	1.96%	2.21%
Other information			
Closing net asset value (£'000)	18,005	15,833	17,283
Closing number of shares	1,977,457	2,042,464	2,253,919
Operating charges	0.82%	0.83%	0.83%
Direct transaction costs	0.12%	0.13%	0.13%
Prices			
Highest share price	952.60	819.60	801.00
Lowest share price	722.80	564.60	653.80

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

C Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	950.55	931.98	911.83
Return before operating charges ⁽¹⁾	188.83	26.16	27.39
Operating charges	(8.75)	(7.59)	(7.24)
Return after operating charges	180.08	18.57	20.15
Distributions	(14.02)	(8.11)	(18.06)
Retained distributions on accumulation	14.02	8.11	18.06
Closing net asset value per share	1,130.63	950.55	931.98
After direct transaction costs of ⁽¹⁾	(1.32)	(1.14)	(1.15)
Performance			
Return after charges	18.94%	1.99%	2.21%
Other information			
Closing net asset value (£'000)	44,493	40,189	43,089
Closing number of shares	3,935,239	4,228,020	4,623,343
Operating charges	0.82%	0.83%	0.83%
Direct transaction costs	0.12%	0.13%	0.13%
Prices			
Highest share price	1,172.00	997.80	955.70
Lowest share price	886.20	686.20	779.20

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Income				
Group 1	7.6318	—	7.6318	4.7295
Group 2	1.1926	6.4392	7.6318	4.7295
A Accumulation				
Group 1	1.0132	—	1.0132	0.6231
Group 2	0.3074	0.7058	1.0132	0.6231
B Income				
Group 1	4.9994	—	4.9994	0.9747
Group 2	4.9863	0.0131	4.9994	0.9747
B Accumulation				
Group 1	5.6422	—	5.6422	0.6060
Group 2	4.4469	1.1953	5.6422	0.6060
C Income				
Group 1	8.7275	—	8.7275	5.6304
Group 2	2.1537	6.5738	8.7275	5.6304
C Accumulation				
Group 1	10.7361	—	10.7361	6.8548
Group 2	4.1351	6.6010	10.7361	6.8548

Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Income				
Group 1	1.6614	—	1.6614	0.0916
Group 2	1.6142	0.0472	1.6614	0.0916
A Accumulation				
Group 1	0.2202	—	0.2202	0.0109
Group 2	0.1652	0.0550	0.2202	0.0109
B Income+				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation+				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Income				
Group 1	2.6784	—	2.6784	1.0328
Group 2	1.7127	0.9657	2.6784	1.0328
C Accumulation				
Group 1	3.2838	—	3.2838	1.2591
Group 2	2.0387	1.2451	3.2838	1.2591

+ Due to expenses exceeding revenue on this class there was no distribution.

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains

	30.09.21 £'000	30.09.20 £'000
The net capital gains during the year comprise:		
Non-derivative securities	12,889	589
Currency losses	(32)	(24)
Custodian transaction fees	(3)	(7)
Net capital gains	12,854	558

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Bank interest	—	1
Non-taxable overseas dividends	1,750	1,226
Stock dividends	74	—
UK dividends	95	31
Taxable overseas dividends	123	83
Total revenue	2,042	1,341

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	707	655
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	22	20
Safe custody fees	11	14
	33	34
Other expenses:		
Audit fee	12	11
Legal and other professional fees	5	6
Non-audit fees paid to the auditor	4	—
Registration fees	4	5
	25	22
Total expenses	765	711

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	290	62
Total current tax (note 5b)	290	62
Deferred tax (note 5c)	—	—
Total taxation	290	62

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

b) Factors affecting taxation charge for the year

Net revenue before taxation	1,277	630
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	255	126
Effects of:		
Movement in unrecognised tax losses	132	128
Overseas tax	290	62
Relief on overseas tax expensed	(3)	(3)
Revenue not subject to tax	(384)	(251)
Total current tax (note 5a)	290	62

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £2,810,000 (2020: £2,678,000) due to tax losses of £14,049,000 (2020: £13,390,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21 £'000	30.09.20 £'000
Interest	—	—
Total interest payable and similar charges	—	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21 £'000	30.09.20 £'000
Interim	212	78
Final	748	481
	960	559
Add: Revenue deducted on cancellation of shares	35	22
Less: Revenue received on issue of shares	(8)	(4)
Net distributions for the year	987	577

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21 £'000	30.09.20 £'000
Net revenue after taxation	987	568
Add: Equalisation on conversions	—	9
Net distributions for the year	987	577

Details of the distributions per share are set out in the tables on page 55.

8 Debtors

	30.09.21 £'000	30.09.20 £'000
Accrued revenue	30	—
Amounts receivable for FX contracts	482	374
Amounts receivable for issue of shares	26	38
Overseas tax recoverable	209	250
Sales awaiting settlement	256	—
Total debtors	1,003	662

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

12 Financial instruments continued

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	84,073	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	84,073	—
30.09.20		
Level 1: Quoted prices	74,178	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	74,178	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

13 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	48,834	21	0.04	57	0.12
Total	48,834	21		57	
Total purchases including commission and taxes	48,912				
Sales (excluding derivatives)					
Equity transactions (direct)	52,004	23	0.04	—	—
Total	52,004	23		—	
Total sales net of transaction costs	51,981				
Total transaction costs		44		57	
Total transaction costs as a % of average net assets		0.05%		0.07%	

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

13 Portfolio transaction costs continued

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	49,698	21	0.04	49	0.10
Total	49,698	21		49	
Total purchases including commission and taxes	49,768				
Sales (excluding derivatives)					
Equity transactions (direct)	54,868	24	0.04	—	—
Total	54,868	24		—	
Total sales net of transaction costs	54,844				
Total transaction costs		45		49	
Total transaction costs as a % of average net assets		0.06%		0.07%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.09% (2020: 0.11%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

14 Share movement

For the year 1 October 2020 to 30 September 2021

	A Income shares	A Accumulation shares	B Income shares	B Accumulation shares	C Income shares	C Accumulation shares
Opening shares	836,925	4,480,312	787,658	124,447	2,042,464	4,228,020
Shares issued	1,170	296,305	103,548	8,649	10,905	295,920
Shares redeemed	(31,942)	(556,968)	(55,290)	(13,960)	(262,776)	(439,251)
Shares converted	(1,859)	—	(1,746)	—	186,864	(149,450)
Closing shares	804,294	4,219,649	834,170	119,136	1,977,457	3,935,239

15 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	% change
A Income	928.90	908.46	(2.20%)
A Accumulation	123.30	121.58	(1.39%)
B Income	928.10	908.86	(2.07%)
B Accumulation	1,062.00	1,045.95	(1.51%)
C Income	923.60	902.79	(2.25%)
C Accumulation	1,136.00	1,121.15	(1.31%)

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Alpha Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

15 Post Balance Sheet Events continued

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21	21.01.22	%
	£'000	£'000	change
A Income	7,375	7,195	(2.44%)
A Accumulation	5,178	5,049	(2.49%)
B Income	7,664	7,436	(2.97%)
B Accumulation	1,259	1,174	(6.75%)
C Income	18,005	17,680	(1.81%)
C Accumulation	44,493	43,586	(2.04%)

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard European Smaller Companies Fund (the "Sub-fund") is to achieve long term capital growth by investing in European Smaller Companies.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund returned 40.29% in sterling terms, against the MSCI Europe Small Cap Index, which returned 30.83%⁽¹⁾.

Investment Policy

The Sub-fund will invest at least 70% in equity and equity-related securities (namely, common and preferred stock, convertible securities, warrants and rights) of European smaller companies, being generally companies within the market capitalisation range of the MSCI Europe Small Cap Index. The Sub-fund is actively managed and, at the discretion of the ACD, the Sub-fund may retain its investments in companies which were within that bracket at the time of acquisition but which grow beyond it in the course of time. The Sub-fund uses the index as a measure of market capitalisation of companies, but is not constrained to invest in companies within the Index. The Sub-fund may invest in any industry sector. The Sub-fund may also invest in units or shares of other collective investment schemes (which may also include exchange traded funds and listed closed-end funds), cash and near cash. The Sub-fund may invest in shares or units of collective investment schemes which are managed or operated by the ACD or an associate of the ACD. The Sub-fund may use derivatives and forward transactions for the purposes of efficient portfolio management. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the Sub-fund.

Market review

European markets ended the twelve-month period higher, as the roll out of vaccine programmes permitted a phased reopening of European economies. Early in the period, European Union leaders approved a historic pandemic rescue package worth €1.8 trillion (including the €800 billion EU Recovery Fund) and the EU-UK trade deal was finally signed. Corporate earnings momentum gained momentum through the period, as major EU countries caught up to the US and UK on vaccination rates, raising the prospect for a major growth rebound. Economic reopening continued to accelerate, with the opening of hospitality and travel, boosting spending on services. In the latter portion of the period, inflation began to weigh on the minds of investors. A range of cost inputs including supply chain bottlenecks, rising energy costs, and labour shortages began to feed raise the cost of production, and the European Central Bank has thus far maintained its stimulative stance amidst price increases. Eurozone Manufacturing and Services PMI rose to a 15-year peak in the summer before moderating amidst input shortages in both manufacturing and service sectors. In politics, Germany held a general election which saw the Social Democrats (SPD) take the largest share of the votes. The ultimate outcome should be a coalition of moderate parties – a positive for markets generally. From a sector perspective, the best performing sectors were financials, energy, and technology, whereas utilities, consumer staples, and health care lagged the index.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, A Accumulation share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Portfolio Review

What contributed to Returns

- Stock selection in the financials and consumer discretionary sectors, as well as within the UK.
- ASM International, a Netherlands-listed front-end semiconductor equipment manufacturer, contributed positively to relative performance in the period. The shares performed well in conjunction with a well-received capital markets day, the announcement of stronger-than-expected order growth, and as a robust medium-term outlook from management.
- Dermapharm, a Germany-listed manufacturer of patent-free branded pharmaceuticals, contributed positively to relative performance in the period. The shares performed well alongside the release of solid half-year results, increased optimism regarding revenue potential from the company's vaccine business (Dermapharm manufacturers BioNTech's BNT162 COVID-19 vaccine), and continued M&A activity in adjacent markets and technologies.

What detracted from Returns

- Stock selection in the communications services and energy sectors.
- Stillfront, a Sweden-listed mobile and online games publisher, detracted from relative performance in the period. The share price fell alongside the release of a mixed set of quarterly results and lingering industry concerns regarding changes in Apple's app tracking policy for advertisers.
- TeamViewer, a German-listed software solutions provider that enables full remote access and control functionality for connected devices, detracted from performance in the period. The share price suffered as the company's growth rate, though still high, failed to meet lofty investor expectations. In addition, capital allocation concerns continue to linger regarding the company's recent sponsorship deals.

Outlook

In general, the economic recovery is still on track and the virus is more of a hindrance than an obstacle. However, European economies are experiencing significant price increases across an array of commodities and input components, particularly natural gas with knock-on effects to electricity. As such, there is a real chance that inflation will be more pronounced than expected, at least in the short term. Labour inflation, on the other hand, may be more sticky medium term.

Equity market participants should also be increasingly wary of the gap in valuations between the top and bottom quartiles of the European market when selecting securities. Despite the stretched valuations in some parts of the market, there are currently a range of companies that look to contain extremely good value and that have improving prospects.

This continues to be a complicated, nuanced, and highly dispersed market and economic situation. Once again, we believe active management is well placed to parse the potential effects of valuation distortions, growth disruption, inflation, central bank tapering and changes to global climate regulation and policy.

Fund Manager: Ed Rosenfeld and team.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (97.83%)		253,127	98.46
Austria (1.35%)		3,810	1.48
BAWAG	80,524	3,810	1.48
Belgium (3.74%)		5,374	2.09
Fagron	143,489	2,084	0.81
Kinopolis	68,403	3,290	1.28
Denmark (3.26%)		3,815	1.48
Royal Unibrew	42,671	3,815	1.48
Finland (3.26%)		8,333	3.24
Anora	228,914	1,962	0.76
Kemira	219,940	2,516	0.98
Kojamo	141,193	2,175	0.85
Puulo	256,232	1,680	0.65
France (2.11%)		4,081	1.59
Gaztransport Et Technigaz	37,185	2,070	0.81
Rubis	78,307	2,011	0.78
Germany (13.20%)		42,440	16.51
Bike24	137,985	2,761	1.08
Cherry	91,237	2,503	0.97
CompuGroup Medical	33,670	2,058	0.80
Covestro	92,193	4,704	1.83
Dermapharm	82,822	5,937	2.31
flatexDEGIRO	291,433	4,609	1.79
Friedrich Vorwerk	49,702	1,878	0.73
JOST Werke	112,796	4,731	1.84
LEG Immobilien	30,916	3,260	1.27
Nagarro	26,164	3,396	1.32
Scout24	35,680	1,836	0.72
Sirius Real Estate	2,230,977	2,914	1.13
TeamViewer	85,176	1,853	0.72
Italy (7.78%)		24,748	9.63
Banca Generali	101,150	3,294	1.28
De' Longhi	90,803	2,426	0.95
Illimity Bank	271,335	3,179	1.24
Italgas	713,057	3,394	1.32
Sesa	24,784	3,323	1.29
Stevanato	210,086	3,934	1.53
Tinexta	167,725	5,198	2.02
Jersey (1.89%)		4,696	1.83
JTC	632,050	4,696	1.83
Luxembourg (4.19%)		11,251	4.38
Aroundtown	598,931	3,086	1.20
Novem	135,127	1,779	0.69
Shurgard Self Storage	88,811	3,614	1.41
Stabilus	53,087	2,772	1.08
Netherlands (7.81%)		26,234	10.20
Aalberts	95,543	4,094	1.59
Arcadis	135,670	5,031	1.96
ASM International	21,911	6,369	2.48
CTP	139,677	2,197	0.85
Euronext	30,116	2,526	0.98
Signify	53,946	2,000	0.78
Van Lanschot Kempen	175,383	4,017	1.56
Norway (1.34%)		3,357	1.31
Crayon	241,074	3,357	1.31
Portugal (1.11%)		—	—
Republic of Ireland (1.00%)		3,425	1.33
Dalata Hotel	984,065	3,425	1.33
Spain (1.53%)		9,530	3.71
Bankinter	963,793	4,199	1.64

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Spain (continued)			
Fluidra	137,488	4,065	1.58
Linea Directa Aseguradora Cia de Seguros y Reaseguros	865,029	1,266	0.49
Sweden (13.84%)		26,257	10.21
Arjo	221,612	2,029	0.79
Cary	110,212	829	0.32
Cibus Nordic Real Estate	142,977	2,512	0.98
Getinge	44,005	1,306	0.51
Hexpol	245,923	2,092	0.81
Karnov	627,542	2,814	1.10
Lindab International	150,739	2,847	1.11
Nobina	574,046	3,840	1.49
Nordic Entertainment	56,411	2,274	0.88
Nordnet	96,242	1,282	0.50
SkiStar	178,593	2,751	1.07
Stillfront	358,325	1,681	0.65
Switzerland (3.81%)		8,151	3.17
Bystronic	2,016	2,026	0.79
Montana Aerospace	51,387	1,346	0.53
Siegfried	2,957	1,960	0.76
Swissquote	4,363	599	0.23
Zehnder	28,210	2,220	0.86
United Kingdom (26.61%)		67,625	26.30
3i	211,458	2,709	1.05
Ascential	767,948	3,148	1.22
Auto Trader	518,792	3,054	1.19
Britvic	321,149	2,868	1.12
Bytes Technology	358,091	1,816	0.71
ConvaTec	934,667	2,018	0.78
Electrocomponents	351,103	3,785	1.47
Gamma Communications	101,203	1,848	0.72
GB	159,339	1,378	0.53
Genuit	550,569	3,826	1.49
Greggs	139,405	4,110	1.60
IMI	264,357	4,388	1.71
ITV	2,186,165	2,331	0.91
JD Sports Fashion	328,822	3,448	1.34
Jet2	217,595	2,784	1.08
On the Beach	677,469	2,595	1.01
Pennon	179,648	2,035	0.79
Reach	878,780	3,071	1.19
Smart Metering Systems	313,619	2,622	1.02
Synthomer	914,064	4,548	1.77
Volusion	1,293,727	6,365	2.48
Weir	170,256	2,878	1.12
Portfolio of investments (97.83%)		253,127	98.46
Net other assets (2.17%)		3,969	1.54
Net assets attributable to Shareholders		257,096	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.

The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		81,008		9,198
Revenue	3	4,095		3,312	
Expenses	4	(2,531)		(2,306)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation		1,564		1,006	
Taxation	5	(245)		(167)	
Net revenue after taxation			1,319		839
Total return before distributions			82,327		10,037
Distributions	7		(1,319)		(845)
Change in net assets attributable to Shareholders from investment activities			81,008		9,192

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		223,952		246,650
Amounts received on issue of shares	11,231		11,071	
Amounts paid on redemption of shares	(60,290)		(43,753)	
		(49,059)		(32,682)
Dilution adjustment		—		21
Change in net assets attributable to Shareholders from investment activities		81,008		9,192
Retained distribution on accumulation shares		1,195		771
Closing net assets attributable to Shareholders		257,096		223,952

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			253,127		219,101
Current assets					
Debtors	8	5,307		1,478	
Cash and bank balances		1,792		4,311	
Total other assets			7,099		5,789
Total assets			260,226		224,890
Liabilities					
Creditors					
Bank overdrafts				(28)	
Other creditors	9	(3,130)		(910)	
Total other liabilities			(3,130)		(938)
Total liabilities			(3,130)		(938)
Net assets attributable to Shareholders			257,096		223,952

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

1	2	3	4	5	6	7
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The risk and reward category is calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The Sub-fund appears in the higher risk category on the risk and reward indicator.

This is because based on the historic data, the underlying assets within the Sub-fund have shown high volatility.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, the currency of the Sub-fund's investments, your share class and your home currency.

The securities of smaller companies may be less well-known, trade less frequently and in more limited volumes than securities of larger companies. Smaller companies are subject to greater changes in earnings and business prospects than larger companies. Prices of securities of smaller companies can be more volatile, rising and falling in value more frequently than securities of larger companies.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	669.42	639.63	687.07
Return before operating charges ⁽¹⁾	272.29	36.46	(40.89)
Operating charges	(8.74)	(6.67)	(6.55)
Return after operating charges	263.55	29.79	(47.44)
Distributions	(4.02)	(1.94)	(8.55)
Retained distributions on accumulation	4.02	1.94	8.55
Closing net asset value per share	932.97	669.42	639.63
After direct transaction costs of ⁽¹⁾	(0.62)	(0.81)	(0.58)
Performance			
Return after charges	39.37%	4.66%	(6.90%)
Other information			
Closing net asset value (£'000)	211,838	167,427	177,956
Closing number of shares	22,705,697	25,010,741	27,821,693
Operating charges	1.05%	1.05%	1.05%
Direct transaction costs	0.08%	0.13%	0.10%
Prices			
Highest share price	986.50	709.50	692.80
Lowest share price	644.40	460.80	555.40

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

B Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	615.22	590.79	637.80
Return before operating charges ⁽¹⁾	249.79	33.50	(38.05)
Operating charges	(11.82)	(9.07)	(8.96)
Return after operating charges	237.97	24.43	(47.01)
Distributions	—	—	(4.27)
Retained distributions on accumulation	—	—	4.27
Closing net asset value per share	853.19	615.22	590.79
After direct transaction costs of ⁽¹⁾	(0.57)	(0.75)	(0.54)
Performance			
Return after charges	38.68%	4.14%	(7.37%)
Other information			
Closing net asset value (£'000)	2,930	2,375	3,251
Closing number of shares	343,441	386,020	550,338
Operating charges	1.55%	1.55%	1.55%
Direct transaction costs	0.08%	0.13%	0.10%
Prices			
Highest share price	902.40	654.00	643.20
Lowest share price	592.00	424.60	514.90

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

C Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	651.88	621.28	665.71
Return before operating charges ⁽¹⁾	265.39	35.54	(39.59)
Operating charges	(6.49)	(4.94)	(4.84)
Return after operating charges	258.90	30.60	(44.43)
Distributions	(5.60)	(3.42)	(9.75)
Retained distributions on accumulation	5.60	3.42	9.75
Closing net asset value per share	910.78	651.88	621.28
After direct transaction costs of ⁽¹⁾	(0.61)	(0.79)	(0.57)
Performance			
Return after charges	39.72%	4.93%	(6.67%)
Other information			
Closing net asset value (£'000)	42,328	54,150	65,443
Closing number of shares	4,647,465	8,306,830	10,533,551
Operating charges	0.80%	0.80%	0.80%
Direct transaction costs	0.08%	0.13%	0.10%
Prices			
Highest share price	962.90	689.80	671.30
Lowest share price	627.60	448.10	538.40

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Accumulation				
Group 1	4.0225	—	4.0225	1.9366
Group 2	1.6872	2.3353	4.0225	1.9366
B Accumulation⁺				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation				
Group 1	5.5959	—	5.5959	3.2473
Group 2	1.5493	4.0466	5.5959	3.2473

+ Due to expenses exceeding revenue on this class there was no distribution.

Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Accumulation+				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation+				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation				
Group 1	0.3568	—	0.3568	0.1764
Group 2	0.2006	0.1562	0.3568	0.1764

+ Due to expenses exceeding revenue on this class there was no distribution.

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains

	30.09.21 £'000	30.09.20 £'000
The net capital gains during the year comprise:		
Non-derivative securities	81,003	9,240
Currency gains/(losses)	17	(30)
Custodian transaction fees	(12)	(12)
Net capital gains	81,008	9,198

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Bank interest	—	4
Non-taxable overseas dividends	2,926	2,186
Non-US overseas REIT dividends	73	79
UK dividends	1,019	824
UK REIT dividends	39	143
Taxable overseas dividends	38	76
Total revenue	4,095	3,312

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	2,409	2,198
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	71	62
Safe custody fees	25	25
Other expenses:		
Audit fee	12	11
Legal and other professional fees	11	6
Registration fees	3	4
	26	21
Total expenses	2,531	2,306

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	245	167
Total current tax (note 5b)	245	167
Deferred tax (note 5c)	—	—
Total taxation	245	167

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

b) Factors affecting taxation charge for the year

Net revenue before taxation	1,564	1,006
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	313	201
Effects of:		
Movement in unrecognised tax losses	491	419
Overseas tax	245	167
Relief on overseas tax expensed	(1)	(2)
Revenue not subject to tax	(803)	(618)
Total current tax (note 5a)	245	167

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £4,759,000 (2020: £4,268,000) due to tax losses of £23,796,000 (2020: £21,340,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21	30.09.20
	£'000	£'000
Interest	—	—
Total interest payable and similar charges	—	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21	30.09.20
	£'000	£'000
Interim	22	17
Final	1,173	754
	1,195	771
Add: Revenue deducted on cancellation of shares	135	78
Less: Revenue received on issue of shares	(11)	(4)
Net distributions for the year	1,319	845

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21	30.09.20
	£'000	£'000
Net revenue after taxation	1,319	839
Add: Equalisation on conversions	—	1
Add: Share class in shortfall	—	5
Net distributions for the year	1,319	845

Details of the distributions per share are set out in the tables on page 70.

8 Debtors

	30.09.21	30.09.20
	£'000	£'000
Accrued revenue	248	92
Amounts receivable for FX contracts	2,245	197
Amounts receivable for issue of shares	38	222
Overseas tax recoverable	506	493
Sales awaiting settlement	2,270	474
Total debtors	5,307	1,478

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

12 Financial instruments continued

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	253,127	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	253,127	—
30.09.20		
Level 1: Quoted prices	219,101	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	219,101	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

13 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	95,311	36	0.04	91	0.10
Total	95,311	36		91	
Total purchases including commission and taxes	95,438				
Sales (excluding derivatives)					
Equity transactions (direct)	141,274	63	0.04	—	—
Total	141,274	63		—	
Total sales net of transaction costs	141,211				
Total transaction costs		99		91	
Total transaction costs as a % of average net assets		0.04%		0.04%	

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

13 Portfolio transaction costs continued

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	111,860	55	0.05	177	0.16
Total	111,860	55		177	
Total purchases including commission and taxes	112,092				
Sales (excluding derivatives)					
Equity transactions (direct)	137,669	67	0.05	—	—
Total	137,669	67		—	
Total sales net of transaction costs	137,602				
Total transaction costs		122		177	
Total transaction costs as a % of average net assets		0.05%		0.08%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.21% (2020: 0.32%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

14 Share movement

For the year 1 October 2020 to 30 September 2021

	A Accumulation shares	B Accumulation shares	C Accumulation shares
Opening shares	25,010,741	386,020	8,306,830
Shares issued	893,548	38,390	481,315
Shares redeemed	(3,192,641)	(74,901)	(4,152,476)
Shares converted	(5,951)	(6,068)	11,796
Closing shares	22,705,697	343,441	4,647,465

15 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	% change
A Accumulation	934.60	879.61	(5.88%)
B Accumulation	854.70	803.17	(6.03%)
C Accumulation	912.30	859.35	(5.80%)

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard European Smaller Companies Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

15 Post Balance Sheet Events continued

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21	21.01.22	%
	£'000	£'000	change
A Accumulation	211,838	195,177	(7.86%)
B Accumulation	2,930	2,633	(10.14%)
C Accumulation	42,328	43,137	1.91%

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard Global Equity Income Fund (the "Sub-fund") is to seek to generate substantial income as well as long term capital growth.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund rose 36.35%, after fees. The Sub-fund's benchmark was changed from the MSCI ACWI index to the MSCI ACWI Value index as of 21 December 2020. The Sub-fund outperformed the linked index benchmark, which returned 23.69% in the same period⁽¹⁾.

Investment Policy

The Sub-fund will invest at least 70% in global equities and equity related securities, including common and preferred stock and depositary receipts. Leveraging Lazard's global equity research capabilities, the fund will invest in financially productive and attractively valued securities that are currently or are likely to begin to generate significant income from dividend distributions.

The Sub-fund's investments will typically consist of holdings in companies having greater than US\$300 million (or relevant currency equivalent) in market capitalisation with liquid quoted securities. The Sub-fund is actively managed and may invest in companies anywhere in the world and in any industry sector. The Sub-fund may also invest in units or shares of other collective investment schemes (which may also include exchange traded funds), cash and near cash.

The Sub-fund may invest in shares or units of collective investment schemes which are managed or operated by the ACD or an associate of the ACD.

The Sub-fund may use derivatives and forward transactions for the purposes of efficient portfolio management. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the Sub-fund.

Market review

In the trailing 12-month period that ended 30 September 2021, global equity markets surged, thanks to significant global stimulus in response to the pandemic, accommodative monetary policy, and strong corporate earnings.

The efficacy of a coronavirus vaccine supported confidence that widespread deployment would provide a pathway for the world economy to normalize in 2021. Worries about inflation waxed and waned as the demand recovery were challenged supply-chain bottlenecks, labor shortages, and sharp increases in shipping costs and oil prices. Events in China were also a source of concern in the period. Signs the economy was slowing, the ongoing crackdown by regulators on certain domestic sectors, and news of a possible default by the debt-laden real estate developer Evergrande unnerved investors and led to a sharp sell-off of Chinese stocks.

Against this backdrop, stock markets in both the developed and developing worlds advanced, with the former outperforming the latter. In the US, the S&P 500 Index outperformed the broader market index, thanks to the Fed's ultra-accommodative monetary policy stance, exceptionally strong corporate earnings seasons, and optimism about the US economic recovery. Across the Atlantic, European equity markets rose but trailed the broader market index, as strong corporate earnings were partially offset by the ECB and BoE's hawkish turn near the end of the period. Meanwhile, in the developing world, China's stock market declined on investor concerns about the country's economic outlook.

Energy was the best performing sector in the period, as oil prices surged on rising demand and supply shortages. Utilities was the worst performing sector, as investors rotated out of defensive stocks into economically sensitive ones.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, A Accumulation share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Portfolio Review

What contributed to Returns

- BFF Bank: demonstrated their resilience through the pandemic and highlighted the growth opportunities ahead.
- China Longyuan: benefitted from clarity on the goals for renewable power generation in China, which underpins a strong outlook for the company.
- BayCurrent: continue to execute well with accelerating sales growth and margin expansion as Japanese corporates modernise their IT infrastructure.

What detracted from Returns

- GTT: underperformed due to a moderation in order intake compared to a strong 2019. We remain constructive on the outlook as the switch from coal to gas, and stricter emission standards, should drive demand for their containment solutions.
- Nintendo: lagged the market as revenue growth slowed due to a lack of new games. The shares are attractively valued and there remain significant opportunities to expand into new markets at high incremental profitability.
- Verizon: was weak due to higher-than-expected cost to secure spectrum and competition concerns in the US.

Outlook

As we exit 2021, the world is in a far better place than only a year ago. We have developed COVID-19 vaccines in record time that remain highly effective despite ongoing mutations in the virus. We have also successfully deployed the vaccine to over one-third of the global population in less than one year and continue to ramp up production of existing and new vaccines. While expectations for real GDP have drifted through recent months, the level of growth we expect remains at a blistering pace, and the United States and Europe could exceed pre-pandemic GDP trend levels in 2022. As always, the key to investing against such a backdrop is to understand how each individual company can navigate the changing economic environment and which companies can deliver sustained high returns on capital, as well as those that can improve their returns and those that cannot. We believe investing in Improvers, Compounders and Mispriced assets can drive stronger risk-adjusted returns through the cycle.

Fund Manager: Jimmie Bork

Figures refer to past performance which is not a reliable indicator of future results

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (98.57%)		83,613	98.94
Australia (1.18%)		—	—
Brazil (1.12%)		1,740	2.06
Odontoprev	776,700	1,740	2.06
Canada (3.19%)		2,687	3.18
Dream Industrial Real Estate Investment Trust	86,666	819	0.97
TMX	12,514	998	1.18
Toromont Industries	14,085	870	1.03
China (3.47%)		3,210	3.80
China Longyuan Power	1,321,000	2,419	2.86
JNBY Design	621,500	791	0.94
Denmark (0.00%)		1,087	1.29
Tryg	64,506	1,087	1.29
France (3.15%)		1,953	2.31
Engie	84,046	819	0.97
Gaztransport Et Technigaz	20,372	1,134	1.34
Germany (3.57%)		519	0.61
Continental	5,743	468	0.55
Vitesco Technologies	1,148	51	0.06
Greece (1.91%)		—	—
Hong Kong (1.59%)		—	—
Italy (3.94%)		3,837	4.54
BFF Bank	532,020	3,837	4.54
Japan (3.20%)		2,339	2.77
BayCurrent Consulting	4,400	1,658	1.96
Nintendo	1,900	681	0.81
Mexico (2.35%)		1,545	1.83
Arca Continental	187,200	849	1.01
Grupo Aeroportuario del Centro Norte	160,100	696	0.82
Netherlands (0.00%)		1,150	1.36
Akzo Nobel	14,182	1,150	1.36
Norway (0.96%)		1,931	2.29
Gjensidige Forsikring	60,216	991	1.18
Mowi	49,784	940	1.11
Portugal (0.69%)		—	—
Republic of Ireland (3.95%)		2,652	3.14
Accenture	4,008	951	1.13
Medtronic	18,303	1,701	2.01
Russia (3.09%)		4,158	4.92
LUKOIL	12,834	911	1.08
Moscow Exchange MICEX-RTS	743,886	1,318	1.56
Sberbank of Russia	138,454	1,929	2.28
Singapore (1.95%)		1,447	1.71
NetLink NBN Trust	2,676,100	1,447	1.71
South Korea (3.11%)		3,692	4.37
KB Financial	43,797	1,514	1.79
SK Hynix	21,386	1,371	1.62
SK Telecom	3,986	807	0.96
Spain (0.97%)		—	—
Switzerland (4.66%)		1,804	2.13
ABB	51,067	1,275	1.51
Zehnder	6,723	529	0.62
Taiwan (2.12%)		2,708	3.20
Merida Industry	154,000	1,180	1.39
Taiwan Semiconductor Manufacturing	18,451	1,528	1.81
United Kingdom (3.64%)		6,084	7.20
3i	96,018	1,230	1.46

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
United Kingdom (continued)			
Kainos	49,006	920	1.09
National Grid	105,575	934	1.10
Paragon Banking	172,682	942	1.11
Petershill Partners	139,124	487	0.58
RELX	39,006	838	0.99
Rio Tinto	14,926	733	0.87
United States (44.76%)		39,070	46.23
Allstate	12,414	1,172	1.39
Analog Devices	13,178	1,637	1.94
Anthem	6,084	1,682	1.99
Applied Materials	9,809	936	1.11
Ashland Global	12,588	832	0.98
Bank of America	58,088	1,828	2.16
Coca-Cola	30,822	1,199	1.42
Diversified Energy	1,126,371	1,333	1.58
FedEx	8,467	1,376	1.63
Fidelity National Information Services	16,557	1,493	1.77
Fifth Third Bancorp	48,932	1,539	1.82
Gaming and Leisure Properties	24,392	838	0.99
Hasbro	22,316	1,475	1.74
Hewlett Packard Enterprise	61,573	651	0.77
Johnson & Johnson	18,108	2,168	2.56
Kohl's	18,692	653	0.77
Leggett & Platt	18,126	603	0.71
McDonald's	4,730	846	1.00
Merck	19,049	1,061	1.26
MetLife	31,453	1,440	1.70
Microsoft	6,178	1,291	1.53
Mondelez International	22,888	987	1.17
Neenah	35,950	1,243	1.47
Norfolk Southern	7,187	1,275	1.51
Pioneer Natural Resources	6,690	826	0.98
PNC Financial Services	14,846	2,153	2.55
Procter & Gamble	13,087	1,356	1.60
Prologis	13,794	1,283	1.52
Sysco	22,513	1,310	1.55
Verizon Communications	33,876	1,357	1.61
Watsco	6,254	1,227	1.45
Portfolio of investments (98.57%)		83,613	98.94
Net other assets (1.43%)		891	1.06
Net assets attributable to Shareholders		84,504	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.

The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		23,711		(9,740)
Revenue	3	2,499		3,103	
Expenses	4	(777)		(782)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation		1,722		2,321	
Taxation	5	(90)		(178)	
Net revenue after taxation			1,632		2,143
Total return before distributions			25,343		(7,597)
Distributions	7		(2,307)		(2,838)
Change in net assets attributable to Shareholders from investment activities			23,036		(10,435)

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		78,972		101,925
Amounts received on issue of shares	3,746		2,678	
Amounts paid on redemption of shares	(21,929)		(15,930)	
		(18,183)		(13,252)
Change in net assets attributable to Shareholders from investment activities		23,036		(10,435)
Retained distribution on accumulation shares		678		730
Unclaimed distributions		1		4
Closing net assets attributable to Shareholders		84,504		78,972

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			83,613		77,846
Current assets					
Debtors	8	545		607	
Cash and bank balances		1,745		1,196	
Total other assets			2,290		1,803
Total assets			85,903		79,649
Liabilities					
Creditors					
Distribution payable		(316)		(454)	
Other creditors	9	(1,083)		(223)	
Total other liabilities			(1,399)		(677)
Total liabilities			(1,399)		(677)
Net assets attributable to Shareholders			84,504		78,972

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

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

The risk and reward category is calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The risk rating of this share class is calculated on the basis of historic volatility – i.e. how much the value of the underlying assets of the Sub-fund has fluctuated over the last 5 years.

This share class has been placed in the risk category stated above, because based on the simulated historic data, the underlying assets within the Sub-fund have shown high volatility.

Please note, there are other risks that may not be reflected in the risk and reward categories above. Some of these risks are summarised below.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

The Sub-fund's high yielding assets may carry a greater risk of capital values falling or have limited prospects of capital growth or recovery.

This Sub-fund may invest in the securities of emerging markets. These markets may be less developed than others and so there is a greater risk that the Sub-fund may experience greater volatility, delays in buying, selling and claiming ownership of its investments. Emerging markets may also have less developed political, economic and legal systems and there is a higher risk that the Sub-fund may not get back its money.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

The annual management charge is deducted from the capital of the Sub-fund. This may increase the amount of income available for distribution from the Sub-fund but may constrain or erode potential for capital growth.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, the currency of the Sub-fund's investments, your share class and your home currency.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	97.73	109.28	109.38
Return before operating charges ⁽¹⁾	35.01	(7.21)	6.12
Operating charges	(1.32)	(1.09)	(1.13)
Return after operating charges	33.69	(8.30)	4.99
Distributions	(3.18)	(3.25)	(5.09)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	128.24	97.73	109.28
After direct transaction costs of ⁽¹⁾	(0.16)	(0.11)	(0.12)
Performance			
Return after charges	34.47%	(7.60%)	4.56%
Other information			
Closing net asset value (£'000)	2,912	2,630	6,572
Closing number of shares	2,271,021	2,690,822	6,014,002
Operating charges	1.12%	1.08%	1.07%
Direct transaction costs	0.13%	0.11%	0.11%
Prices			
Highest share price	130.50	114.00	112.50
Lowest share price	95.12	81.82	96.90

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

A Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	182.18	196.84	187.89
Return before operating charges ⁽¹⁾	65.64	(12.67)	10.94
Operating charges	(2.48)	(1.99)	(1.99)
Return after operating charges	63.16	(14.66)	8.95
Distributions	(5.91)	(5.92)	(8.89)
Retained distributions on accumulation	5.91	5.92	8.89
Closing net asset value per share	245.34	182.18	196.84
After direct transaction costs of ⁽¹⁾	(0.30)	(0.20)	(0.21)
Performance			
Return after charges	34.67%	(7.45%)	4.76%
Other information			
Closing net asset value (£'000)	298	418	490
Closing number of shares	121,314	229,372	249,152
Operating charges	1.12%	1.08%	1.08%
Direct transaction costs	0.13%	0.11%	0.11%
Prices			
Highest share price	248.30	206.50	200.70
Lowest share price	177.30	148.30	166.80

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

B Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	91.57	102.88	103.49
Return before operating charges ⁽¹⁾	32.71	(6.77)	5.75
Operating charges	(1.78)	(1.51)	(1.56)
Return after operating charges	30.93	(8.28)	4.19
Distributions	(2.96)	(3.03)	(4.80)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	119.54	91.57	102.88
After direct transaction costs of ⁽¹⁾	(0.15)	(0.10)	(0.11)
Performance			
Return after charges	33.77%	(8.04%)	4.05%
Other information			
Closing net asset value (£'000)	1,777	1,471	2,126
Closing number of shares	1,486,477	1,606,577	2,066,018
Operating charges	1.62%	1.59%	1.57%
Direct transaction costs	0.13%	0.11%	0.11%
Prices			
Highest share price	121.70	107.20	106.00
Lowest share price	89.08	76.85	91.60

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

B Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	169.93	184.52	177.01
Return before operating charges ⁽¹⁾	61.10	(11.86)	10.25
Operating charges	(3.32)	(2.73)	(2.74)
Return after operating charges	57.78	(14.59)	7.51
Distributions	(5.55)	(5.53)	(8.35)
Retained distributions on accumulation	5.55	5.53	8.35
Closing net asset value per share	227.71	169.93	184.52
After direct transaction costs of ⁽¹⁾	(0.28)	(0.19)	(0.19)
Performance			
Return after charges	34.00%	(7.91%)	4.24%
Other information			
Closing net asset value (£'000)	3,496	2,734	3,594
Closing number of shares	1,535,251	1,608,597	1,947,903
Operating charges	1.61%	1.58%	1.58%
Direct transaction costs	0.13%	0.11%	0.11%
Prices			
Highest share price	230.50	193.30	188.30
Lowest share price	165.30	138.70	157.00

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

C Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	97.19	108.39	108.22
Return before operating charges ⁽¹⁾	34.83	(7.14)	6.08
Operating charges	(1.02)	(0.84)	(0.87)
Return after operating charges	33.81	(7.98)	5.21
Distributions	(3.16)	(3.22)	(5.04)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	127.84	97.19	108.39
After direct transaction costs of ⁽¹⁾	(0.16)	(0.11)	(0.12)
Performance			
Return after charges	34.79%	(7.36%)	4.81%
Other information			
Closing net asset value (£'000)	52,665	53,705	66,718
Closing number of shares	41,197,269	55,260,026	61,554,854
Operating charges	0.87%	0.83%	0.83%
Direct transaction costs	0.13%	0.11%	0.11%
Prices			
Highest share price	130.10	113.20	111.50
Lowest share price	94.61	81.26	95.95

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

C Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	180.52	194.57	185.26
Return before operating charges ⁽¹⁾	65.10	(12.53)	10.82
Operating charges	(1.89)	(1.52)	(1.51)
Return after operating charges	63.21	(14.05)	9.31
Distributions	(5.92)	(5.85)	(8.78)
Retained distributions on accumulation	5.92	5.85	8.78
Closing net asset value per share	243.73	180.52	194.57
After direct transaction costs of ⁽¹⁾	(0.30)	(0.20)	(0.20)
Performance			
Return after charges	35.02%	(7.22%)	5.03%
Other information			
Closing net asset value (£'000)	23,356	18,014	22,425
Closing number of shares	9,582,812	9,978,701	11,525,443
Operating charges	0.86%	0.83%	0.83%
Direct transaction costs	0.13%	0.11%	0.11%
Prices			
Highest share price	246.70	204.30	198.30
Lowest share price	175.70	146.70	164.60

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Income				
Group 1	0.7048	—	0.7048	0.7729
Group 2	0.2581	0.4467	0.7048	0.7729
A Accumulation				
Group 1	1.2830	—	1.2830	1.4259
Group 2	0.6576	0.6254	1.2830	1.4259
B Income				
Group 1	0.6590	—	0.6590	0.7101
Group 2	0.4181	0.2409	0.6590	0.7101
B Accumulation				
Group 1	1.2515	—	1.2515	1.3246
Group 2	0.6561	0.5954	1.2515	1.3246
C Income				
Group 1	0.7042	—	0.7042	0.7633
Group 2	0.3769	0.3273	0.7042	0.7633
C Accumulation				
Group 1	1.3383	—	1.3383	1.4082
Group 2	0.8686	0.4697	1.3383	1.4082

3rd Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.08.21	Distribution paid 31.08.20
A Income				
Group 1	1.1581	—	1.1581	0.8381
Group 2	0.2774	0.8807	1.1581	0.8381
A Accumulation				
Group 1	2.1825	—	2.1825	1.5368
Group 2	1.5317	0.6508	2.1825	1.5368
B Income				
Group 1	1.0816	—	1.0816	0.7866
Group 2	0.1703	0.9113	1.0816	0.7866
B Accumulation				
Group 1	2.0297	—	2.0297	1.4366
Group 2	0.6413	1.3884	2.0297	1.4366
C Income				
Group 1	1.1532	—	1.1532	0.8326
Group 2	0.5490	0.6042	1.1532	0.8326
C Accumulation				
Group 1	2.1660	—	2.1660	1.5214
Group 2	1.1379	1.0281	2.1660	1.5214

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Distribution tables continued

for the year ended 30 September 2021

Dividend distribution in pence per share.

2nd Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Income				
Group 1	0.5423	—	0.5423	0.9877
Group 2	0.4260	0.1163	0.5423	0.9877
A Accumulation				
Group 1	1.0178	—	1.0178	1.7894
Group 2	0.6913	0.3265	1.0178	1.7894
B Income				
Group 1	0.5070	—	0.5070	0.9281
Group 2	0.3746	0.1324	0.5070	0.9281
B Accumulation				
Group 1	0.9475	—	0.9475	1.6744
Group 2	0.3451	0.6024	0.9475	1.6744
C Income				
Group 1	0.5400	—	0.5400	0.9805
Group 2	0.2969	0.2431	0.5400	0.9805
C Accumulation				
Group 1	1.0096	—	1.0096	1.7705
Group 2	0.3272	0.6824	1.0096	1.7705

1st Interim Distribution

	Net revenue	Equalisation	Distribution paid 28.02.21	Distribution paid 28.02.20
A Income				
Group 1	0.7729	—	0.7729	0.6514
Group 2	0.2564	0.5165	0.7729	0.6514
A Accumulation				
Group 1	1.4259	—	1.4259	1.1662
Group 2	0.7598	0.6661	1.4259	1.1662
B Income				
Group 1	0.7101	—	0.7101	0.6094
Group 2	0.3641	0.3460	0.7101	0.6094
B Accumulation				
Group 1	1.3246	—	1.3246	1.0927
Group 2	0.6187	0.7059	1.3246	1.0927
C Income				
Group 1	0.7633	—	0.7633	0.6426
Group 2	0.4230	0.3403	0.7633	0.6426
C Accumulation				
Group 1	1.4082	—	1.4082	1.1531
Group 2	0.5067	0.9015	1.4082	1.1531

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains/(losses)

	30.09.21 £'000	30.09.20 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	23,741	(9,769)
Currency (losses)/gains	(23)	35
Custodian transaction fees	(7)	(6)
Net capital gains/(losses)	23,711	(9,740)

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Bank interest	3	2
Non-taxable overseas dividends	1,874	2,473
UK dividends	252	161
US REIT dividends	143	206
Taxable overseas dividends	224	261
Taxable non-US overseas REIT dividends	3	—
Total revenue	2,499	3,103

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	685	712
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	23	24
Safe custody fees	16	14
	39	38
Other expenses:		
ADR fee	4	—
Audit fee	12	11
Legal and other professional fees	12	13
Non-audit fees paid to the auditor	21	3
Registration fees	4	5
	53	32
Total expenses	777	782

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	90	178
Total current tax (note 5b)	90	178
Deferred tax (note 5c)	—	—
Total taxation	90	178

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

b) Factors affecting taxation charge for the year

Net revenue before taxation	1,722	2,321
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	344	464
Effects of:		
Capitalised income subject to tax	4	—
Movement in unrecognised tax losses	87	98
Overseas tax	90	178
Prior year adjustment	(1)	(23)
Relief on overseas tax expensed	(9)	(13)
Revenue not subject to tax	(425)	(526)
Total current tax (note 5a)	90	178

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £1,743,000 (2020: £1,656,000) due to tax losses of £8,717,000 (2020: £8,280,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21	30.09.20
	£'000	£'000
Interest	—	—
Total interest payable and similar charges	—	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21	30.09.20
	£'000	£'000
1st Interim	609	593
2nd Interim	385	867
3rd Interim	798	702
Final	465	619
	2,257	2,781
Add: Revenue deducted on cancellation of shares	64	68
Less: Revenue received on issue of shares	(14)	(11)
Net distributions for the year	2,307	2,838

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21	30.09.20
	£'000	£'000
Net revenue after taxation	1,632	2,143
Add: ACD's periodic charge to capital	685	712
Less: Tax relief on capitalised fees	(10)	(17)
Net distributions for the year	2,307	2,838

Details of the distributions per share are set out in the tables on pages 86 to 87.

8 Debtors

	30.09.21	30.09.20
	£'000	£'000
Accrued revenue	97	86
Amounts receivable for FX contracts	204	—
Amounts receivable for issue of shares	—	89
Overseas tax recoverable	244	418
Sales awaiting settlement	—	14
Total debtors	545	607

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

9 Other creditors

	30.09.21 £'000	30.09.20 £'000
Accrued expenses	83	85
Amounts payable for cancellation of shares	104	138
Amounts payable for FX contracts	205	—
Purchases awaiting settlement	691	—
Total other creditors	1,083	223

10 Contingent assets/(liabilities) and outstanding commitments

There were no contingent assets/(liabilities) or outstanding commitments at the balance sheet date (2020: £nil).

11 Related party disclosures

Details of the related party disclosures are included within note 4 of the notes to the Financial Statements of all Sub-funds on page 11.

12 Financial instruments

Details of the financial instruments risk disclosures are set out in note 2 of the notes to the Financial Statements of all Sub-funds on pages 7 to 9.

a) Currency exposure profile

30.09.21 Currency	Net currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Brazilian Real	—	1,743	1,743
Canadian Dollar	—	2,692	2,692
Danish Krone	—	1,095	1,095
Euro	—	8,485	8,485
Hong Kong Dollar	—	3,210	3,210
Japan Yen	—	2,348	2,348
Korean Won	—	3,692	3,692
Mexico Peso	—	1,545	1,545
Norwegian Krone	—	1,978	1,978
Singapore Dollar	—	1,447	1,447
Swiss Franc	—	1,803	1,803
Taiwanese Dollar	—	1,181	1,181
United States Dollar	8	46,148	46,156
	8	77,367	77,375

30.09.20 Currency	Net currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
Australian Dollar	—	934	934
Brazilian Real	—	884	884
Canadian Dollar	—	2,522	2,522
China Yuan Renminbi	—	18	18
Danish Krone	—	6	6
Euro	—	11,510	11,510
Hong Kong Dollar	17	3,995	4,012
Japan Yen	—	2,540	2,540
Korean Won	—	2,462	2,462
Mexico Peso	14	1,853	1,867
Norwegian Krone	49	896	945
Singapore Dollar	—	1,543	1,543
Swiss Franc	—	3,679	3,679
Taiwanese Dollar	36	—	36
United States Dollar	9	42,646	42,655
	125	75,488	75,613

b) Interest rate risk profile

The Sub-fund's only interest bearing financial instruments at the balance sheet date are represented by its cash balances and overdraft facility, which earn or bear interest in commercial terms.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

12 Financial instruments continued

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	83,613	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	83,613	—
30.09.20		
Level 1: Quoted prices	77,846	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	77,846	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

13 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	72,905	30	0.04	36	0.05
Total	72,905	30		36	
Total purchases including commission and taxes	72,971				
Sales (excluding derivatives)					
Equity transactions (direct)	90,984	33	0.04	18	0.02
Total	90,984	33		18	
Total sales net of transaction costs	90,933				
Total transaction costs		63		54	
Total transaction costs as a % of average net assets		0.07%		0.06%	

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

13 Portfolio transaction costs continued

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	72,430	26	0.04	26	0.04
Total	72,430	26		26	
Total purchases including commission and taxes	72,482				
Sales (excluding derivatives)					
Equity transactions (direct)	85,861	31	0.04	14	0.02
Total	85,861	31		14	
Total sales net of transaction costs	85,816				
Total transaction costs		57		40	
Total transaction costs as a % of average net assets		0.06%		0.05%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.14% (2020: 0.16%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

14 Share movement

For the year 1 October 2020 to 30 September 2021

	A Income shares	A Accumulation shares	B Income shares	B Accumulation shares	C Income shares	C Accumulation shares
Opening shares	2,690,822	229,372	1,606,577	1,608,597	55,260,026	9,978,701
Shares issued	3,768	33,064	49,610	158,055	539,013	1,185,323
Shares redeemed	(412,638)	(141,122)	(169,710)	(231,401)	(14,612,459)	(1,581,375)
Shares converted	(10,931)	—	—	—	10,689	163
Closing shares	2,271,021	121,314	1,486,477	1,535,251	41,197,269	9,582,812

15 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	% change
A Income	130.40	128.13	(1.74%)
A Accumulation	248.00	247.56	(0.18%)
B Income	121.50	119.26	(1.84%)
B Accumulation	230.20	229.41	(0.34%)
C Income	130.00	127.83	(1.67%)
C Accumulation	246.40	246.12	(0.11%)

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Global Equity Income Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

15 Post Balance Sheet Events continued

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21	21.01.22	%
	£'000	£'000	change
A Income	2,912	2,841	(2.44%)
A Accumulation	298	285	(4.36%)
B Income	1,777	1,756	(1.18%)
B Accumulation	3,496	3,534	1.09%
C Income	52,665	50,058	(4.95%)
C Accumulation	23,356	23,986	2.70%

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard Managed Balanced Fund (the "Sub-fund") is to deliver income and capital growth.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund returned 20.25% in sterling terms, against the composite benchmark of the 50% FTSE All-Share Index, 25% MSCI All Countries World Index and 25% FTSE UK Government All Stocks Index, which returned 17.13%⁽¹⁾.

Investment Policy

The Sub-fund will invest in a diversified portfolio of equities and bonds. The Sub-Fund will typically invest between 40% - 85% in equities. The portfolio of the Sub-fund consists of three core components: UK Equity Diversified, Global Equity Select and UK Aggregate Bond.

The UK Equity Diversified component aims to achieve growth over at least 5 years by investing in a diversified portfolio of UK equities, being those which are incorporated, domiciled or conduct a significant portion of their business in the UK. The Sub-Fund may also invest in companies which are listed, quoted or traded in the UK.

The Global Equity Select component seeks to generate strong relative returns over at least 5 years by investing in companies with strong and/or improving financial productivity at attractive valuations, typically investing in companies from both developed and emerging countries.

The UK Aggregate Bond component invests in sterling-denominated investment grade financial and non-financial corporate and sovereign bonds. Performance is driven by security selection, sector and country allocation as well as duration positioning against a broad sterling fixed income index. The Sub-fund is actively managed.

The Sub-fund may invest in cash and near cash, bank deposits and shares or units of other collective investment schemes which may include those managed or operated by the ACD or an associate of the ACD.

Market review

World equity markets advanced through much of the twelve-month period, before pulling back in the third quarter.

Through much of the period the vaccine rollout allowed most developed market economies to reopen, fiscal and monetary stimulus provided support, and corporate earnings encouraged investors. US, European, and UK markets finished higher through the period as the economic recovery gained momentum. However, emerging market equities struggled through a slower vaccine rollout, growing concern about a crackdown by Chinese regulators on the country's technology, property and education sectors, and fears that a default by debt-laden Chinese real estate developer, Evergrande, could cause contagion. The pace of expansion has more recently slowed, with labour and goods shortages and supply chain bottlenecks curtailing activity. Inflation remains near the forefront of investors' minds. In addition to labour shortages, rising energy prices have pushed overall costs higher. Central Bank responses to these inflationary pressures are of paramount focus for investors. The US Federal Reserve indicated that it would soon be prepared to slow the pace of its monthly purchase of government-backed bonds, and possibly begin to raise interest rates sometime next year; the Bank of England and European Central Bank may also be starting to reconsider their policies given new information on price levels. From a sector perspective, the best performing sectors were energy, financials, and communication services, whereas utilities, consumer staples, and health care lagged the index.

For the fixed income component of the portfolio, 10-year UK government bond yields have risen sharply from a low of 0.17% towards 1.0% at the end of the reporting period. Credit spreads tightened strongly following the announcements of encouraging vaccine trial results, thereby at least partially mitigating the rising yields environment. Bonds of travel and leisure exposed names performed strongly. However, from a total return perspective, fixed income markets were under pressure due to the strong economic growth and rising inflation expectations.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, A Accumulation share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Portfolio Review

What contributed to Returns

- Internationally, stock selection in the industrials, information technology and health care contributed to performance.
- In the United Kingdom, stock selection in industrials and financials contributed to performance.
- In the fixed income component, positions in longer-dated airport bonds, in subordinated bonds and the transportation sector contributed to performance.

What detracted from Returns

- Internationally, stock selection in the consumer discretionary sector detracted from performance.
- In the United Kingdom, stock selection in energy and being underweight health care detracted from performance.
- In the fixed income component, longer-dated UK Gilts and in the utilities sector detracted from performance.

Outlook

Both internationally and within the UK, the economic recovery has occurred at a stunning speed despite supply chain challenges involving transportation and semiconductors, a surge in demand for goods while service providers were constrained by social distancing needs, and a slower-than-expected normalisation of labour markets. These factors contributed to worries through much of 2021 regarding elevated inflation and to a debate over whether these price pressures will be transitory. While expectations for real GDP have drifted through recent months, the level of growth we expect remains at a blistering pace, and the United States and Europe could exceed pre-pandemic GDP trend levels in 2022. The global vaccination campaign and enormous fiscal stimulus are likely to drive compounded real GDP growth of 4.5% to 5.0% in the United States, United Kingdom, and the European Union through 2022. As always, the key to investing against such a backdrop is to understand how each individual company can navigate the changing economic environment and which companies can deliver sustained high returns on capital, as well as those that can improve their returns and those that cannot. We believe investing in these Compounders and Improvers can drive stronger risk-adjusted returns through the cycle.

For fixed income, we expect inflationary pressures to remain high and the Bank of England to hike rates before tapering their asset purchases. Despite the current supply side issues, we still expect economic growth to remain solid and see no imminent risk of “stagflation”. Therefore, we maintain our duration underweight and credit overweight within the fixed income component.

Fund Manager: Alan Custis and team

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (71.73%)		29,901	81.32
Bermuda (0.35%)		207	0.56
Hiscox	24,595	207	0.56
Brazil (0.00%)		80	0.22
Banco Bradesco	28,206	80	0.22
Canada (1.78%)		732	1.99
BRP	1,465	100	0.27
CAE	4,649	103	0.28
Canadian National Railway	1,250	107	0.29
Dollarama	3,574	115	0.31
National Bank of Canada	2,957	168	0.46
Toromont Industries	2,248	139	0.38
China (1.70%)		250	0.68
Alibaba	974	107	0.29
Tencent	3,300	143	0.39
Denmark (0.56%)		193	0.53
Carlsberg series 'B' shares	840	102	0.28
Vestas Wind Systems	3,056	91	0.25
France (0.00%)		254	0.69
LVMH Moët Hennessy	251	134	0.36
Pernod Ricard	731	120	0.33
Germany (1.35%)		204	0.55
Adidas	390	91	0.25
Merck	701	113	0.30
Hong Kong (1.36%)		244	0.66
AIA	15,000	128	0.35
China Gas	53,200	116	0.31
India (0.00%)		155	0.42
HDFC Bank	2,867	155	0.42
Israel (0.28%)		—	—
Japan (1.78%)		463	1.26
BayCurrent Consulting	600	226	0.62
Nintendo	300	108	0.29
Shimano	600	129	0.35
Jersey (0.20%)		—	—
Macau (0.33%)		—	—
Netherlands (2.66%)		1,218	3.31
NXP Semiconductors	992	144	0.39
Royal Dutch Shell	46,519	768	2.09
Wolters Kluwer	3,899	306	0.83
Republic of Ireland (0.86%)		724	1.97
Accenture	1,121	266	0.72
Flutter Entertainment	1,180	173	0.47
Smurfit Kappa	7,347	285	0.78
South Africa (0.13%)		—	—
South Korea (0.49%)		98	0.27
LG Household & Health Care	117	98	0.27
Spain (0.00%)		105	0.29
Industria de Diseño Textil	3,843	105	0.29
Sweden (1.45%)		254	0.69
Assa Abloy	3,612	78	0.21
Hexagon series 'B' shares	15,267	176	0.48
Switzerland (1.84%)		711	1.93
ABB	5,922	148	0.40
Coca-Cola HBC	11,276	270	0.73
Partners	144	168	0.46
Swatch	641	125	0.34

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Taiwan (0.72%)		217	0.59
Taiwan Semiconductor Manufacturing	2,621	217	0.59
United Kingdom (35.31%)		18,791	51.11
Advertising (0.77%)		483	1.31
Kin & Carta	61,026	168	0.46
WPP	31,544	315	0.85
Aerospace & Defence (0.24%)		—	—
Agriculture (1.26%)		539	1.47
British American Tobacco	20,702	539	1.47
Airlines (0.20%)		179	0.49
Jet2	14,021	179	0.49
Apparel (0.38%)		361	0.98
Burberry	8,664	157	0.43
Dr. Martens	51,699	204	0.55
Banks (2.12%)		1,965	5.34
Barclays	313,970	595	1.62
HSBC	161,239	629	1.71
Lloyds Banking	932,972	434	1.18
Standard Chartered	70,302	307	0.83
Beverages (2.12%)		1,209	3.29
Britvic	19,688	176	0.48
Coca-Cola Europacific Partners	2,841	116	0.32
Diageo	25,426	917	2.49
Chemicals (0.35%)		453	1.23
Johnson Matthey	8,153	219	0.59
Synthomer	47,104	234	0.64
Commercial Services (1.17%)		959	2.61
Intertek	3,398	169	0.46
Pagegroup	33,628	209	0.57
RELX	18,449	396	1.08
RELX	8,599	185	0.50
Computers (0.27%)		185	0.50
Serco	137,664	185	0.50
Cosmetics & Personal Care (2.69%)		865	2.35
Unilever	21,609	865	2.35
Distribution & Wholesale (1.19%)		433	1.18
Ferguson	4,192	433	1.18
Diversified Financial Services (1.36%)		881	2.40
Foresight	33,548	149	0.41
IG	23,081	186	0.51
London Stock Exchange	3,039	226	0.61
Man Group	156,668	320	0.87
Electricity (0.00%)		166	0.45
Drax	34,467	166	0.45
Engineering & Construction (0.51%)		—	—
Food Producers (1.15%)		1,160	3.16
Associated British Foods	17,218	320	0.87
Greggs	7,322	216	0.59
SSP	78,075	216	0.59
Tesco	161,014	408	1.11
Healthcare Products (0.47%)		—	—
Healthcare Services (0.00%)		116	0.32
AssetCo	6,837	116	0.32
Home Builders (0.43%)		—	—
Home Furnishings (0.00%)		105	0.29
Made.com	75,293	105	0.29

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
United Kingdom (continued)			
Household Products (0.85%)			
		—	—
Insurance (1.92%)			
Direct Line Insurance	64,997	188	0.51
Prudential	41,279	601	1.64
Internet (0.46%)			
Baltic Classifieds	47,460	93	0.25
Investment Companies (0.18%)			
Petershill Partners	34,268	120	0.33
Leisure Time (0.17%)			
		—	—
Lodging (0.38%)			
Whitbread	7,814	259	0.70
Machinery Construction & Mining (0.30%)			
Weir	11,807	200	0.54
Machinery Diversified (0.00%)			
IMI	18,825	313	0.85
Media (0.39%)			
ITV	221,721	236	0.64
Mining (2.33%)			
Anglo American	15,871	416	1.13
Rio Tinto	13,937	685	1.86
Miscellaneous Manufacturing (0.27%)			
Volution	44,302	218	0.59
Oil & Gas Producers (0.07%)			
BP	267,314	909	2.47
Harbour Energy	47,301	172	0.47
Oil & Gas Services (0.26%)			
		—	—
Pharmaceuticals (3.93%)			
AstraZeneca	14,795	1,325	3.61
GlaxoSmithKline	13,410	188	0.51
Private Equity (0.68%)			
3i	30,861	396	1.08
Draper Esprit	23,631	237	0.64
Real Estate Investment & Services (0.27%)			
Helical	39,567	175	0.48
Real Estate Investment Trusts (0.51%)			
Capital & Counties Properties	115,187	191	0.52
Derwent London	4,710	163	0.44
Retail (1.01%)			
DFS Furniture	67,474	175	0.48
Dunelm	14,255	203	0.55
JD Sports Fashion	31,833	334	0.91
Mitchells & Butlers	62,733	148	0.40
Next	2,011	165	0.45
Restaurant	160,103	165	0.45
Telecommunications (0.92%)			
Vodafone	403,729	457	1.24
Water (0.36%)			
		—	—
United States (18.58%)			
Alphabet	211	418	1.14
Amphenol	2,034	110	0.30
Aon	1,423	301	0.82
Boston Scientific	3,910	126	0.34
Charles Schwab	3,011	162	0.44
Coca-Cola	5,037	196	0.53
Dollar General	1,084	170	0.46

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
United States (continued)			
Honeywell International	565	89	0.24
Intercontinental Exchange	2,278	194	0.53
IQVIA	1,798	319	0.87
Johnson & Johnson	1,726	207	0.56
Lowe's Cos	1,183	178	0.49
McDonald's	909	163	0.44
Microsoft	1,820	380	1.03
Motorola Solutions	1,233	212	0.58
Procter & Gamble	1,484	154	0.42
PTC	1,548	138	0.38
Rockwell Automation	608	133	0.36
S&P Global	601	189	0.51
Texas Instruments	1,283	183	0.50
Thermo Fisher Scientific	887	376	1.02
TopBuild	461	70	0.19
Visa	1,207	199	0.54
Warner Music	2,383	76	0.21
Zoetis	1,794	258	0.70
Fixed Interest (26.56%)		5,873	15.97
Government Stocks (10.76%)			
		1,635	4.45
United Kingdom Gilt 0.625% 31/7/2035	£350,000	322	0.87
United Kingdom Gilt 1.75% 07/9/2037	£200,000	212	0.58
United Kingdom Gilt 3.25% 22/1/2044	£580,000	786	2.14
United Kingdom Gilt 4.5% 07/12/2042	£200,000	315	0.86
Corporate Bonds (15.80%)			
		4,238	11.52
Abertis Infraestructuras 3.375% 27/11/2026	£100,000	107	0.29
Annington Funding 2.924% 06/10/2051	£200,000	199	0.54
APT Pipelines 2.5% 15/3/2036	£200,000	195	0.53
AT&T 2.9% 04/12/2026	£100,000	107	0.29
Aviva 5.125% 04/6/2050	£100,000	117	0.32
Banco Santander 1.75% 17/2/2027	£100,000	100	0.27
Barclays 3.25% 17/1/2033	£100,000	108	0.29
BNP Paribas 1.25% 13/7/2031	£100,000	93	0.25
Bunzl Finance 1.5% 30/10/2030	£100,000	96	0.26
Comcast 5.5% 23/11/2029	£50,000	64	0.17
Commerzbank 1.75% 22/1/2025	£100,000	100	0.27
Deutsche Bank 1.875% 22/12/2028	£200,000	198	0.54
DS Smith 2.875% 26/7/2029	£100,000	104	0.28
Engie 5% 01/10/2060	£50,000	79	0.22
Gatwick Funding 2.5% 15/4/2032	£100,000	98	0.27
Gatwick Funding 3.25% 26/2/2048	£100,000	101	0.27
Glencore Finance Europe 3.125% 26/3/2026	£100,000	105	0.29
Go-Ahead 2.5% 06/7/2024	£100,000	101	0.28
Goldman Sachs 3.125% 25/7/2029	£150,000	164	0.45
Heathrow Funding 2.625% 16/3/2028	£100,000	100	0.27
Heathrow Funding 2.75% 09/8/2051	£100,000	96	0.26
Holcim Sterling Finance Netherlands 2.25% 04/4/2034	£200,000	195	0.53
Koninklijke KPN 5% 18/11/2026	£100,000	114	0.31
Legal & General 4.5% 01/11/2050	£100,000	112	0.30
Logicor Financing Sarl 2.75% 15/1/2030	£100,000	104	0.28
National Grid Electricity Transmission 2% 17/4/2040	£100,000	95	0.26
National Grid Gas 1.625% 14/1/2043	£100,000	85	0.23
Orange 5.375% 22/11/2050	£100,000	158	0.43
Scottish Hydro Electric Transmission 2.125% 24/3/2036	£200,000	195	0.53
Tesco Corporate Treasury Services 2.75% 27/4/2030	£100,000	105	0.29
Verizon Communications 4.75% 17/2/2034	£100,000	128	0.35
Vodafone 3.375% 08/8/2049	£200,000	220	0.60
Volkswagen Financial Services 1.375% 14/9/2028	£200,000	195	0.53
Whitbread 2.375% 31/5/2027	£100,000	100	0.27

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Mutual Funds (0.28%)		143	0.39
Collective Investment Schemes (0.28%)		143	0.39
Trian Investors 1 Fund	111,463	143	0.39
Portfolio of investments (98.58%)		35,917	97.68
Net other assets (1.42%)		852	2.32
Net assets attributable to Shareholders		36,769	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.

The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		5,616		(1,328)
Revenue	3	860		716	
Expenses	4	(306)		(297)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation		554		419	
Taxation	5	(21)		(24)	
Net revenue after taxation			533		395
Total return before distributions			6,149		(933)
Distributions	7		(667)		(523)
Change in net assets attributable to Shareholders from investment activities			5,482		(1,456)

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		32,653		36,074
Amounts received on issue of shares	3,167		5,170	
Amounts paid on redemption of shares	(5,079)		(7,550)	
		(1,912)		(2,380)
Change in net assets attributable to Shareholders from investment activities		5,482		(1,456)
Retained distribution on accumulation shares		546		415
Closing net assets attributable to Shareholders		36,769		32,653

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			35,917		32,190
Current assets					
Debtors	8	180		154	
Cash and bank balances		1,679		511	
Total other assets			1,859		665
Total assets			37,776		32,855
Liabilities					
Creditors					
Distribution payable		(70)		(44)	
Other creditors	9	(937)		(158)	
Total other liabilities			(1,007)		(202)
Total liabilities			(1,007)		(202)
Net assets attributable to Shareholders			36,769		32,653

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

1	2	3	4	5	6	7
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The risk and reward categories above are calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The risk rating of this share class is calculated on the basis of historic volatility – i.e. how much the value of the underlying assets of the Sub-fund has fluctuated over the last 5 years. This share class has been placed in the risk category stated above, because based on the simulated historic data, the underlying assets within the Sub-fund have shown moderately high volatility.

Please note, there are other risks that may not be reflected in the risk and reward categories above. Some of these risks are summarised below.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

There is a risk that the other side to certain contracts that the Sub-fund may enter into may not be able to meet obligations. For example, this may arise in the Sub-fund where an investment is made using a debt instrument (such as a bond), and the other side to the debt agreement becomes insolvent, or is otherwise unable to meet its obligations. In such a case, the Sub-fund may incur loss.

This Sub-fund may invest in the securities of emerging markets. These markets may be less developed than others and so there is a greater risk that the Sub-fund may experience greater volatility, delays in buying, selling and claiming ownership of its investments. Emerging markets may also have less developed political, economic and legal systems and there is a higher risk that the Sub-fund may not get back its money.

Investment in lower rated bonds increases the risk of default on repayment and the risk to capital of the Sub-fund.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

50% of the annual management charge is deducted from the capital of the Sub-fund. This may increase the amount of income available for distribution but may constrain or erode potential for capital growth.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, the currency of the Sub-fund's investments, your share class and your home currency.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	178.32	184.98	176.31
Return before operating charges ⁽¹⁾	36.66	(2.30)	14.09
Operating charges	(1.76)	(1.60)	(1.61)
Return after operating charges	34.90	(3.90)	12.48
Distributions	(3.83)	(2.76)	(3.81)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	209.39	178.32	184.98
After direct transaction costs of ⁽¹⁾	(0.43)	(0.29)	(0.17)
Performance			
Return after charges	19.57%	(2.11%)	7.08%
Other information			
Closing net asset value (£'000)	5,652	5,324	6,124
Closing number of shares	2,699,181	2,985,784	3,310,498
Operating charges	0.88%	0.90%	0.92%
Direct transaction costs	0.22%	0.17%	0.10%
Prices			
Highest share price	218.00	191.10	189.60
Lowest share price	174.40	147.50	160.10

A Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	235.54	240.30	224.30
Return before operating charges ⁽¹⁾	48.55	(2.67)	18.04
Operating charges	(2.34)	(2.09)	(2.04)
Return after operating charges	46.21	(4.76)	16.00
Distributions	(5.08)	(3.60)	(4.88)
Retained distributions on accumulation	5.08	3.60	4.88
Closing net asset value per share	281.75	235.54	240.30
After direct transaction costs of ⁽¹⁾	(0.58)	(0.38)	(0.22)
Performance			
Return after charges	19.62%	(1.98%)	7.13%
Other information			
Closing net asset value (£'000)	30,429	26,660	29,446
Closing number of shares	10,799,991	11,318,577	12,253,631
Operating charges	0.88%	0.90%	0.91%
Direct transaction costs	0.22%	0.17%	0.10%
Prices			
Highest share price	290.00	248.20	243.50
Lowest share price	230.30	191.60	203.70

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

B Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	170.76	177.54	169.66
Return before operating charges ⁽¹⁾	35.06	(2.17)	13.50
Operating charges	(2.64)	(2.39)	(2.38)
Return after operating charges	32.42	(4.56)	11.12
Distributions	(3.18)	(2.22)	(3.24)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	200.00	170.76	177.54
After direct transaction costs of ⁽¹⁾	(0.42)	(0.28)	(0.17)
Performance			
Return after charges	18.99%	(2.57%)	6.55%
Other information			
Closing net asset value (£'000)	688	669	504
Closing number of shares	343,809	391,513	284,072
Operating charges	1.38%	1.40%	1.41%
Direct transaction costs	0.22%	0.17%	0.10%
Prices			
Highest share price	208.00	183.00	181.90
Lowest share price	166.90	141.20	153.90

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Income				
Group 1	2.3446	—	2.3446	1.3185
Group 2	1.4862	0.8584	2.3446	1.3185
A Accumulation				
Group 1	3.1197	—	3.1197	1.7298
Group 2	1.7885	1.3312	3.1197	1.7298
B Income				
Group 1	1.9888	—	1.9888	1.0540
Group 2	1.6592	0.3296	1.9888	1.0540

Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Income				
Group 1	1.4852	—	1.4852	1.4413
Group 2	0.6069	0.8783	1.4852	1.4413
A Accumulation				
Group 1	1.9612	—	1.9612	1.8719
Group 2	0.9310	1.0302	1.9612	1.8719
B Income				
Group 1	1.1919	—	1.1919	1.1652
Group 2	0.7461	0.4458	1.1919	1.1652

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains/(losses)

	30.09.21 £'000	30.09.20 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	5,621	(1,320)
Currency gains	1	1
Custodian transaction fees	(6)	(9)
Net capital gains/(losses)	5,616	(1,328)

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Non-taxable overseas dividends	166	187
Interest on debt securities	130	188
UK dividends	558	342
UK REIT dividends	3	(3)
Taxable overseas dividends	3	2
Total revenue	860	716

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	267	256
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	9	9
Safe custody fees	4	5
	13	14
Other expenses:		
Audit fee	12	11
Legal and other professional fees	7	9
Non-audit fees paid to the auditor	4	3
Registration fees	3	4
	26	27
Total expenses	306	297

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	21	24
Total current tax (note 5b)	21	24
Deferred tax (note 5c)	—	—
Total taxation	21	24

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

b) Factors affecting taxation charge for the year

Net revenue before taxation	554	419
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	111	84
Effects of:		
Movement in unrecognised tax losses	33	22
Overseas tax	21	24
Prior year adjustment to tax losses	1	—
Revenue not subject to tax	(145)	(106)
Total current tax (note 5a)	21	24

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £180,000 (2020: £147,000) due to tax losses of £900,000 (2020: £735,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21 £'000	30.09.20 £'000
Interest	—	—
Total interest payable and similar charges	—	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21 £'000	30.09.20 £'000
Interim	256	276
Final	407	240
	663	516
Add: Revenue deducted on cancellation of shares	19	27
Less: Revenue received on issue of shares	(15)	(20)
Net distributions for the year	667	523

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21 £'000	30.09.20 £'000
Net revenue after taxation	533	395
Add: ACD's periodic charge to capital	134	128
Net distributions for the year	667	523

Details of the distributions per share are set out in the tables on page 105.

8 Debtors

	30.09.21 £'000	30.09.20 £'000
Accrued revenue	131	119
Amounts receivable for FX contracts	21	8
Amounts receivable for issue of shares	—	7
Income tax recoverable	1	—
Overseas tax recoverable	5	11
Sales awaiting settlement	22	9
Total debtors	180	154

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

12 Financial instruments continued

b) Interest rate risk profile continued

	Floating rate £'000	Fixed rate £'000	No interest £'000	Total £'000
30.09.21				
Investment assets	—	5,873	30,044	35,917
Investment liabilities	—	—	—	—
30.09.20				
Investment assets	—	8,675	23,515	32,190
Investment liabilities	—	—	—	—

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	30,044	—
Level 2: Observable market data	5,873	—
Level 3: Unobservable data	—	—
	35,917	—
30.09.20		
Level 1: Quoted prices	23,515	—
Level 2: Observable market data	8,675	—
Level 3: Unobservable data	—	—
	32,190	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

The majority of financial investments are classified as level 1: Quoted prices. Investments classified as level 3: Unobservable data mainly comprise nonmarket traded securities.

Where there is no price source from an active market for an investment, the ACD has applied judgement in determining the fair value. This included using Earnings or Revenue multiples selected from comparable publicly traded companies based on industry, geographic location, size, and other factors that the ACD consider reasonable.

When applying valuation techniques and utilising unobservable data in arriving at the fair value, the ACD has assessed any further information available from internal and external sources to arrive at an estimated fair value.

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

The credit quality of the Sub-fund's investment in debt securities at the balance sheet date was:

	30.09.21 % of Net Assets	30.09.20 % of Net Assets
Investment grade	15.97	26.43
Non-investment grade	—	0.14
Not rated	—	—
Total bonds	15.97	26.57

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

13 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	17,186	7	0.04	62	0.36
Debt transactions (direct)	3,491	—	—	—	—
Collective investment schemes	18	—	—	—	—
Total	20,695	7		62	
Total purchases including commission and taxes	20,764				
Sales (excluding derivatives)					
Equity transactions (direct)	16,642	6	0.04	1	0.01
Debt transactions (direct)	5,918	—	—	—	—
Total	22,560	6		1	
Total sales net of transaction costs	22,553				
Total transaction costs		13		63	
Total transaction costs as a % of average net assets		0.04%		0.18%	

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	12,687	5	0.04	45	0.35
Corporate actions	70	—	—	—	—
Debt transactions (direct)	5,674	—	—	—	—
Collective investment schemes	9	—	—	—	—
Total	18,440	5		45	
Total purchases including commission and taxes	18,490				
Sales (excluding derivatives)					
Equity transactions (direct)	12,183	5	0.04	1	0.01
Corporate actions	70	—	—	—	—
Debt transactions (direct)	8,284	—	—	—	—
Total	20,537	5		1	
Total sales net of transaction costs	20,531				
Total transaction costs		10		46	
Total transaction costs as a % of average net assets		0.03%		0.14%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.17% (2020: 0.22%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Balanced Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

14 Share movement

For the year 1 October 2020 to 30 September 2021

	A Income shares	A Accumulation shares	B Income shares
Opening shares	2,985,784	11,318,577	391,513
Shares issued	279,640	946,658	17,497
Shares redeemed	(566,243)	(1,465,244)	(65,201)
Shares converted	—	—	—
Closing shares	2,699,181	10,799,991	343,809

15 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	%
A Income	213.00	213.55	0.26%
A Accumulation	283.40	287.37	1.40%
B Income	203.20	203.66	0.23%

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21 £'000	21.01.22 £'000	%
A Income	5,652	5,843	3.38%
A Accumulation	30,429	32,041	5.30%
B Income	688	702	2.03%

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard Managed Equity Fund (the "Sub-fund") is to achieve capital growth.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund returned 27.73% in sterling terms, against the composite benchmark of 50% FTSE All-Share Index and 50% FTSE World ex-UK Index, which returned 25.96%⁽¹⁾.

Investment Policy

The Sub-fund is actively managed and will invest in a diversified portfolio of global equities, with at least 50% of the scheme property invested in the shares of UK companies and will consist of two core components: UK Equity Alpha and Global Equity Select. The UK Equity component consists of a concentrated portfolio of UK companies that are domiciled, incorporated or have a significant portion of their business in the UK. The Global Equity Select component invests in companies with strong and/or improving financial productivity at attractive valuations, typically investing in companies from both developed and emerging countries.

The Sub-fund may invest in shares or units of other collective investment schemes which may include those managed or operated by the ACD or an associate of the ACD.

Market review

World equity markets advanced through much of the twelve-month period, before pulling back in the third quarter. Through much of the period the vaccine rollout allowed most developed market economies to reopen, fiscal and monetary stimulus provided support, and corporate earnings encouraged investors. US, European, and UK markets finished higher through the period as the economic recovery gained momentum. However, emerging market equities struggled through a slower vaccine rollout, growing concern about a crackdown by Chinese regulators on the country's technology, property and education sectors, and fears that a default by debt-laden Chinese real estate developer, Evergrande, could cause contagion. The pace of expansion has more recently slowed, with labour and goods shortages and supply chain bottlenecks curtailing activity. Inflation remains near the forefront of investors' minds. In addition to labour shortages, rising energy prices have pushed overall costs higher. Central Bank responses to these inflationary pressures are of paramount focus for investors. The US Federal Reserve indicated that it would soon be prepared to slow the pace of its monthly purchase of government-backed bonds, and possibly begin to raise interest rates sometime next year; the Bank of England has begun to flirt with the idea of interest rate hikes; the European Central Bank has thus far remained committed to keep rates low. From a sector perspective, the best performing sectors were energy, financials, and communication services, whereas utilities, consumer staples, and health care lagged the index.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, A Accumulation share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Portfolio Review

What contributed to Returns

- Internationally, stock selection in the industrials, information technology and health care contributed to performance.
- A position in Japanese consulting company BayCurrent rose as recent earnings were strong due to better pricing throughout the year. We believe consultant hiring and pricing should continue to be strong due to growing demand for digital consulting. We believe the company should have strong growth driven by historical under-investment in IT in Japan for many years, demographic trends, work-from-home and government policy.
- In the United Kingdom, stock selection in industrials and financials contributed to performance. Ventilation products specialist Volution Group was a strong contributor to returns. Its share price has been on a steady upwards trajectory for months, supported by March's strong interim results and raised guidance. Despite the strong performance, we feel there is still plenty of upside as Volution benefits from both structural and cyclical tailwinds.

What detracted from Returns

- Internationally, stock selection in the consumer discretionary sector detracted from performance.
- Sands China, a Macau gaming and hotel operator fell after authorities started the gaming license retender process in September. While there is no timeline on the process, regulators hinted at heavier scrutiny around licenses, as well as operations and capital management, disheartening investors. Due to the sudden lack of clarity on timing of license renewals, regulation and cost we decided to sell the position.
- In the United Kingdom, stock selection in energy and being underweight health care detracted from performance.
- Not owning Glencore also hurt relative performance. The miner has relatively little exposure to iron ore and more focus on other industrial metals, where prices generally displayed greater resilience through the period.

Outlook

The economic recovery has occurred at a stunning speed despite supply chain challenges involving transportation and semiconductors, a surge in demand for goods while service providers were constrained by social distancing needs, and a slower-than-expected normalization of labour markets. These factors contributed to worries through much of 2021 regarding elevated inflation and to a debate over whether these price pressures will be transitory. While expectations for real GDP have drifted through recent months, the level of growth we expect remains at a blistering pace, and the United States and Europe could exceed pre-pandemic GDP trend levels in 2022. The global vaccination campaign and enormous fiscal stimulus are likely to drive compounded real GDP growth of 4.5% to 5.0% in the United States, United Kingdom, and the European Union through 2022. As always, the key to investing against such a backdrop is to understand how each individual company can navigate the changing economic environment and which companies can deliver sustained high returns on capital, as well as those that can improve their returns and those that cannot. We believe investing in these Compounders and Improvers can drive stronger risk-adjusted returns through the cycle.

Fund Manager: Pat Ryan, Alan Custis and teams.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (97.27%)		81,383	97.93
Bermuda (0.33%)		596	0.72
Hiscox	71,031	596	0.72
Canada (2.81%)		3,302	3.97
BRP	5,661	388	0.46
CAE	17,960	397	0.48
Canadian National Railway	7,633	654	0.79
Dollarama	14,633	470	0.56
National Bank of Canada	15,030	854	1.03
Toromont Industries	8,727	539	0.65
Denmark (0.72%)		754	0.91
Carlsberg	3,231	392	0.47
Vestas Wind Systems	12,100	362	0.44
France (0.00%)		1,337	1.61
LVMH Moët Hennessy Louis Vuitton	995	531	0.64
Pernod Ricard	4,920	806	0.97
Germany (1.86%)		822	0.99
adidas	1,517	356	0.43
Merck	2,897	466	0.56
Hong Kong (1.51%)		493	0.59
AIA	57,800	493	0.59
Israel (0.45%)		—	—
Japan (2.47%)		1,732	2.08
BayCurrent Consulting	2,100	791	0.95
Nintendo	1,300	466	0.56
Shimano	2,200	475	0.57
Macau (0.43%)		—	—
Netherlands (3.82%)		3,673	4.42
NXP Semiconductors	4,140	601	0.72
Royal Dutch Shell	99,037	1,634	1.97
Wolters Kluwer	18,306	1,438	1.73
Republic of Ireland (1.36%)		2,090	2.52
Accenture	5,451	1,293	1.56
Smurfit Kappa	20,576	797	0.96
Spain (0.00%)		416	0.50
Industria de Diseno Textil	15,220	416	0.50
Sweden (2.37%)		1,395	1.68
Assa Abloy	21,843	473	0.57
Hexagon	80,220	922	1.11
Switzerland (2.61%)		2,621	3.15
ABB	23,800	594	0.71
Coca-Cola HBC	34,091	817	0.98
Partners	621	724	0.87
Swatch	2,488	486	0.59
United Kingdom (48.46%)		40,172	48.34
3i	86,925	1,114	1.34
Anglo American	39,986	1,049	1.26
Associated British Foods	44,151	821	0.99
AstraZeneca	35,497	3,179	3.82
Barclays	800,777	1,518	1.83
BP	628,376	2,138	2.57
British American Tobacco	44,073	1,148	1.38
Britvic	58,882	526	0.63
Burberry	24,548	445	0.54
Capital & Counties Properties	319,459	531	0.64
Coca-Cola Europacific Partners	17,163	703	0.85
DFS Furniture	226,688	587	0.71
Diageo	45,721	1,648	1.98
Direct Line Insurance	176,837	512	0.62
Dr. Martens	145,698	574	0.69
Draper Esprit	67,837	681	0.82

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
United Kingdom (continued)			
Dunelm	43,617	620	0.75
Ferguson	10,288	1,063	1.28
Harbour Energy	137,579	500	0.60
HSBC	235,099	917	1.10
IG	65,272	525	0.63
IMI	43,252	718	0.86
Intertek	9,976	496	0.60
ITV	565,134	602	0.72
JD Sports Fashion	82,577	866	1.04
Jet2	42,757	547	0.66
Johnson Matthey	19,499	523	0.63
Lloyds Banking	2,570,483	1,197	1.44
Made.com	226,736	317	0.38
Man Group	378,161	773	0.93
Mitchells & Butlers	186,968	443	0.53
Pagegroup	88,049	547	0.66
Petershill Partners	72,530	254	0.31
Prudential	86,861	1,264	1.52
RELX	45,037	967	1.16
Restaurant	474,981	489	0.59
Rio Tinto	30,781	1,512	1.82
SSP	210,298	582	0.70
Standard Chartered	204,422	891	1.07
Synthomer	125,182	623	0.75
Tesco	412,667	1,045	1.26
Unilever	34,636	1,387	1.67
Vodafone	959,639	1,087	1.31
Weir	32,534	550	0.66
Whitbread	21,722	720	0.87
WPP	97,258	973	1.17
United States (28.07%)		21,980	26.45
Alphabet	1,101	2,181	2.62
Amphenol	7,869	427	0.51
Boston Scientific	16,970	546	0.66
Charles Schwab	12,023	649	0.78
Coca-Cola	31,833	1,238	1.49
Dollar General	5,629	886	1.07
Honeywell International	2,074	327	0.39
Intercontinental Exchange	11,712	997	1.20
IQVIA	8,769	1,558	1.88
Johnson & Johnson	8,829	1,057	1.27
Lowe's Cos	6,128	921	1.11
McDonald's	4,002	716	0.86
Microsoft	8,660	1,809	2.18
Motorola Solutions	6,156	1,061	1.28
Procter & Gamble	9,214	955	1.15
PTC	6,129	545	0.66
Rockwell Automation	2,987	651	0.78
S&P Global	2,649	834	1.00
Texas Instruments	5,258	749	0.90
Thermo Fisher Scientific	3,536	1,497	1.80
TopBuild	1,700	258	0.31
Visa	4,779	789	0.95
Warner Music	9,654	306	0.37
Zoetis	7,106	1,023	1.23
Mutual Funds (0.76%)		582	0.70
Triam Investors 1 Fund	454,848	582	0.70
Portfolio of investments (98.03%)		81,965	98.63
Net other assets (1.97%)		1,135	1.37
Net assets attributable to Shareholders		83,100	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.
The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		17,939		(4,683)
Revenue	3	1,997		1,688	
Expenses	4	(863)		(797)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation		1,134		891	
Taxation	5	(64)		(77)	
Net revenue after taxation			1,070		814
Total return before distributions			19,009		(3,869)
Distributions	7		(1,070)		(814)
Change in net assets attributable to Shareholders from investment activities			17,939		(4,683)

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		74,547		79,574
Amounts received on issue of shares	3,133		12,732	
Amounts paid on redemption of shares	(13,570)		(13,921)	
		(10,437)		(1,189)
Change in net assets attributable to Shareholders from investment activities		17,939		(4,683)
Retained distribution on accumulation shares		1,051		845
Closing net assets attributable to Shareholders		83,100		74,547

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			81,965		73,078
Current assets					
Debtors	8	182		1,166	
Cash and bank balances		1,422		1,409	
Total other assets			1,604		2,575
Total assets			83,569		75,653
Liabilities					
Creditors					
Bank overdrafts		—		(1)	
Other creditors	9	(469)		(1,105)	
Total other liabilities			(469)		(1,106)
Total liabilities			(469)		(1,106)
Net assets attributable to Shareholders			83,100		74,547

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

1	2	3	4	5	6	7
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The risk and reward category is calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The risk rating of this share class is calculated on the basis of historic volatility – i.e. how much the value of the underlying assets of the Sub-fund has fluctuated over the last 5 years.

This share class has been placed in the risk category stated above, because based on the historic data, the underlying assets within the Sub-fund have shown moderately high volatility.

Please note, there are other risks that may not be reflected in the risk and reward categories above. Some of these risks are summarised below.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

This Sub-fund may invest in the securities of emerging markets. These markets may be less developed than others and so there is a greater risk that the Sub-fund may experience greater volatility, delays in buying, selling and claiming ownership of its investments. Emerging markets may also have less developed political, economic and legal systems and there is a higher risk that the Sub-fund may not get back its money.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, the currency of the Sub-fund's investments, your share class and your home currency.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	362.47	382.97	365.44
Return before operating charges ⁽¹⁾	101.68	(16.63)	21.37
Operating charges	(4.54)	(3.87)	(3.84)
Return after operating charges	97.14	(20.50)	17.53
Distributions	(5.66)	(3.96)	(7.55)
Retained distributions on accumulation	5.66	3.96	7.55
Closing net asset value per share	459.61	362.47	382.97
After direct transaction costs of ⁽¹⁾	(0.74)	(0.72)	(0.67)
Performance			
Return after charges	26.80%	(5.35%)	4.80%
Other information			
Closing net asset value (£'000)	83,100	74,547	79,574
Closing number of shares	18,080,613	20,566,431	20,777,783
Operating charges	1.07%	1.07%	1.07%
Direct transaction costs	0.18%	0.20%	0.19%
Prices			
Highest share price	473.40	400.10	392.80
Lowest share price	349.50	285.80	321.90

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Accumulation				
Group 1	3.3551	—	3.3551	1.5329
Group 2	1.7873	1.5678	3.3551	1.5329

Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Accumulation				
Group 1	2.3052	—	2.3052	2.4301
Group 2	0.8271	1.4781	2.3052	2.4301

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains/(losses)

	30.09.21 £'000	30.09.20 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	17,959	(4,696)
Currency (losses)/gains	(16)	16
Custodian transaction fees	(4)	(3)
Net capital gains/(losses)	17,939	(4,683)

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Bank interest	1	1
Non-taxable overseas dividends	567	568
UK dividends	1,417	1,104
UK REIT dividends	12	10
Taxable overseas dividends	—	5
Total revenue	1,997	1,688

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	809	748
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	22	20
Safe custody fees	6	7
	28	27
Other expenses:		
Audit fee	11	11
Legal and other professional fees	8	8
Non-audit fees paid to the auditor	4	—
Registration fees	3	3
	26	22
Total expenses	863	797

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	64	77
Total current tax (note 5b)	64	77
Deferred tax (note 5c)	—	—
Total taxation	64	77

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

b) Factors affecting taxation charge for the year

Net revenue before taxation	1,134	891
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	227	178
Effects of:		
Movement in unrecognised tax losses	170	159
Overseas tax	64	77
Prior year adjustment	—	(3)
Revenue not subject to tax	(397)	(334)
Total current tax (note 5a)	64	77

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £1,848,000 (2020: £1,678,000) due to tax losses of £9,240,000 (2020: £8,390,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21 £'000	30.09.20 £'000
Interest	—	—
Total interest payable and similar charges	—	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21 £'000	30.09.20 £'000
Interim	444	530
Final	607	315
	1,051	845
Add: Revenue deducted on cancellation of shares	31	43
Less: Revenue received on issue of shares	(12)	(74)
Net distributions for the year	1,070	814

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21 £'000	30.09.20 £'000
Net revenue after taxation	1,070	814
Net distributions for the year	1,070	814

Details of the distributions per share are set out in the tables on page 119.

8 Debtors

	30.09.21 £'000	30.09.20 £'000
Accrued revenue	160	70
Amounts receivable for FX contracts	—	9
Amounts receivable for issue of shares	—	1,040
Income tax recoverable	4	5
Overseas tax recoverable	18	33
Sales awaiting settlement	—	9
Total debtors	182	1,166

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

12 Financial instruments continued

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	81,965	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	81,965	—
30.09.20		
Level 1: Quoted prices	73,078	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	73,078	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

13 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	31,022	14	0.05	108	0.35
Corporate actions	119	—	—	—	—
Total	31,141	14		108	
Total purchases including commission and taxes	31,263				
Sales (excluding derivatives)					
Equity transactions (direct)	39,712	17	0.04	2	0.01
Corporate actions	119	—	—	—	—
Collective investment schemes	188	—	—	—	—
Total	40,019	17		2	
Total sales net of transaction costs	40,000				
Total transaction costs		31		110	
Total transaction costs as a % of average net assets		0.04%		0.14%	

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

13 Portfolio transaction costs continued

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	33,565	14	0.04	121	0.36
Corporate actions	160	—	—	—	—
Collective investment schemes	25	—	—	—	—
Total	33,750	14		121	
Total purchases including commission and taxes	33,885				
Sales (excluding derivatives)					
Equity transactions (direct)	33,358	15	0.04	—	—
Corporate actions	160	—	—	—	—
Collective Investment Schemes	26	—	—	—	—
Total	33,544	15		—	
Total sales net of transaction costs	33,529				
Total transaction costs		29		121	
Total transaction costs as a % of average net assets		0.04%		0.16%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.11% (2020: 0.12%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

14 Share movement

For the year 1 October 2020 to 30 September 2021

	A Accumulation shares
Opening shares	20,566,431
Shares issued	754,860
Shares redeemed	(3,240,678)
Shares converted	—
Closing shares	18,080,613

15 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	% change
A Accumulation	462.90	472.14	2.00%

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Managed Equity Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

15 Post Balance Sheet Events continued

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21	21.01.22	%
	£'000	£'000	change
A Accumulation	83,100	82,070	(1.24%)

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard Multicap UK Income Fund (the "Sub-fund") is to achieve income combined with capital growth.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund returned 33.24% in sterling, against the FTSE All-Share Index, which returned 27.90%⁽¹⁾.

Investment Policy

The Sub-fund will invest at least 70% in the shares of UK companies, being those which are incorporated, domiciled or conduct a significant portion of their business in the UK.

The Sub-fund will not be restricted in respect of choice of investments by company size or industry.

The Sub-fund may also invest in companies which are listed, quoted or traded in the UK. Up to a maximum of 20% of the Sub-fund may be invested in other equities, including those listed outside the United Kingdom, and in other securities, either listed in the United Kingdom or listed on other exchanges outside the United Kingdom, including but not limited to preference shares, convertibles, fixed income or shares in listed open and closed ended funds. The Investment Manager will seek to identify high-yielding companies with strong and/or improving financial productivity at attractive valuations. There is also scope to identify companies capable of paying future dividends through improving returns.

The Sub-fund may invest in any industry sector and in companies of any market capitalisation. The Sub-fund may invest in shares or units of other collective investment schemes which may include those managed or operated by the ACD or an associate of the ACD.

Market review

UK markets ended the twelve-month period higher, as the rollout of the vaccine programme and easing of restrictions permitted a phased reopening of the economy. Early in the period, news of the trade deal with the EU was received positively by the market, paving the way for a potential resumption of business and consumer investment. The economic recovery gained momentum, with services and manufacturing PMIs reaching multi-year highs in the summer. The pace of expansion has more recently slowed, with labour and goods shortages and supply chain bottlenecks have curtailing activity. Inflation remains near the forefront of investors' minds. In addition to labour shortages, rising energy prices have pushed overall costs higher. Amidst price increases, the Bank of England has yet to change its main lending rate from 0.1%, but the committee appears less dovish than earlier in the year. Elsewhere, merger & acquisition (M&A) activity was a theme as investors bid for companies such as grocer Wm Morrison, gaming company Entain, and aerospace and defence equipment supplier Meggitt. From a sector perspective, the best performing sectors were energy, basic materials, and consumer discretionary, whereas consumer staples, health care, and technology lagged the index.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, A Accumulation share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Portfolio Review

What contributed to Returns

- Stock selection in industrials and financials contributed to performance.
- Amongst banks, Barclays contributed to performance. The company continues to be appreciated for its card business, with an acquisition of a credit card portfolio in the U.S., which should benefit from a U.S. consumer recovery.
- Aerospace and defence business, Meggitt, was a significant contributor to performance. Meggitt was the subject of a takeover bid at a 71% premium by U.S. competitor Parker Hannifin, followed by a higher counteroffer by Transdigm that was ultimately withdrawn.

What detracted from Returns

- Stock selection in energy and health care detracted from performance.
- Being underweight Royal Dutch Shell detracted, as the energy sector had strong performance amidst rising resource prices.
- Not owning Glencore also hurt relative performance. The miner has relatively little exposure to iron ore and more focus on other industrial metals, where prices generally displayed greater resilience through the period.

Outlook

UK equities are attractively valued relative to other countries and on an absolute basis. Underlying economic momentum remains positive, and the resumption of dividend payments is also likely to be supportive.

However, several factors, including the outlook for inflation, labour market dynamics, resilience of supply chains, and COVID-19 developments over the winter months are sources of concern that require careful navigation. Companies that build on their competitive advantages, successfully respond to challenges, and adapt to new consumer habits could help to lead the economic recovery and emerge from the pandemic stronger than before.

Fund Manager: Alan Clifford and team.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (99.29%)		64,331	99.08
Advertising (1.37%)		676	1.04
WPP	67,636	676	1.04
Aerospace & Defence (0.83%)		—	—
Agriculture (4.71%)		2,159	3.33
British American Tobacco	82,923	2,159	3.33
Airlines (0.48%)		496	0.76
easyJet	74,889	496	0.76
Banks (6.58%)		5,906	9.10
Barclays	1,095,052	2,076	3.20
HSBC	422,315	1,647	2.54
Lloyds Banking	1,328,820	619	0.95
Paragon Banking	128,858	703	1.08
Standard Chartered	197,428	861	1.33
Beverages (3.38%)		2,388	3.67
Britvic	48,001	429	0.66
Coca-Cola HBC	24,720	593	0.91
Diageo	37,882	1,366	2.10
Building Materials (1.56%)		540	0.83
Norcross	179,833	540	0.83
Chemicals (1.65%)		664	1.02
Synthomer	133,446	664	1.02
Commercial Services (2.91%)		3,888	5.99
Gateley	208,151	510	0.79
Intertek	8,897	443	0.68
Redde Northgate	116,090	467	0.72
RELX	66,390	1,425	2.19
SThree	96,721	557	0.86
XPS Pensions	339,736	486	0.75
Computers (1.58%)		869	1.34
Computacenter	15,679	426	0.66
FDM	35,069	443	0.68
Cosmetics & Personal Care (5.40%)		3,233	4.98
Unilever	80,714	3,233	4.98
Distribution & Wholesale (1.36%)		929	1.43
Ferguson	8,990	929	1.43
Diversified Financial Services (1.67%)		1,234	1.90
Brewin Dolphin	190,288	725	1.12
IG	63,240	509	0.78
Electrical Components & Equipment (0.00%)		314	0.48
Supreme	165,394	314	0.48
Electricity (2.84%)		1,382	2.13
National Grid	156,176	1,382	2.13
Electronics (0.62%)		298	0.46
DiscoverIE	28,656	298	0.46
Engineering & Construction (2.36%)		937	1.44
Headlam	111,199	546	0.84
Sureserve	482,447	391	0.60
Food Producers (3.10%)		2,160	3.33
Associated British Foods	34,364	639	0.99
Tesco	600,276	1,521	2.34
Forest Products & Paper (0.00%)		686	1.06
Smurfit Kappa	17,706	686	1.06
Healthcare Products (1.41%)		541	0.83
Smith & Nephew	42,012	541	0.83
Home Builders (2.02%)		1,198	1.85
Bellway	20,844	684	1.06
Taylor Wimpey	330,178	514	0.79

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Home Furnishings (0.00%)		204	0.31
Made.com	145,635	204	0.31
Household Products (2.00%)		—	—
Insurance (8.78%)		4,438	6.84
Direct Line Insurance	230,183	666	1.03
Legal & General	496,601	1,396	2.15
Phoenix	143,921	929	1.43
Prudential	74,642	1,086	1.67
Randall & Quilter Investment	206,190	361	0.56
Internet (0.39%)		633	0.97
Baltic Classifieds	161,853	317	0.49
THG	62,324	316	0.48
Investment Companies (0.00%)		375	0.58
Petershill Partners	107,211	375	0.58
Lodging (0.00%)		765	1.18
Whitbread	23,082	765	1.18
Machinery Construction & Mining (1.13%)		378	0.58
Weir	22,340	378	0.58
Machinery Diversified (0.00%)		634	0.98
IMI	38,207	634	0.98
Media (0.86%)		594	0.91
ITV	557,623	594	0.91
Mining (8.72%)		4,527	6.97
Anglo American	75,006	1,967	3.03
Rio Tinto	52,106	2,560	3.94
Oil & Gas Producers (6.39%)		6,935	10.69
BP	1,003,749	3,415	5.26
Diversified Energy	534,786	633	0.98
Galp Energia SGPS	80,941	682	1.05
Harbour Energy	78,528	285	0.44
Royal Dutch Shell	116,376	1,920	2.96
Oil & Gas Services (0.75%)		—	—
Packaging & Containers (0.76%)		423	0.65
Essentra	158,288	423	0.65
Pharmaceuticals (10.64%)		5,899	9.08
AstraZeneca	45,862	4,107	6.32
GlaxoSmithKline	84,487	1,186	1.83
Sanofi	8,486	606	0.93
Private Equity (2.51%)		1,589	2.45
3i	84,135	1,078	1.66
Intermediate Capital	25,003	511	0.79
Real Estate Investment & Services (0.67%)		745	1.15
Belvoir	124,806	306	0.47
Helical	99,457	439	0.68
Real Estate Investment Trusts (1.87%)		805	1.24
Land	115,546	805	1.24
Retail (3.69%)		2,405	3.71
Currys	405,853	542	0.84
DFS Furniture	190,107	492	0.76
Industria de Diseno Textil	20,297	555	0.86
Pets at Home	92,270	443	0.68
Restaurant	361,620	373	0.57
Software (0.81%)		802	1.23
AVEVA	10,052	362	0.56
Hostelworld	262,400	212	0.32
Vianet	201,828	228	0.35
Telecommunications (3.49%)		1,682	2.59
Vodafone	1,484,477	1,682	2.59

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Mutual Funds (0.52%)		328	0.50
Collective Investment Schemes (0.52%)		328	0.50
Hipgnosis Songs Fund	269,746	328	0.50
Portfolio of investments (99.81%)		64,659	99.58
Net other assets (0.19%)		272	0.42
Net assets attributable to Shareholders		64,931	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.

The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		15,167		(15,205)
Revenue	3	2,620		2,253	
Expenses	4	(702)		(695)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation		1,918		1,558	
Taxation	5	(20)		(6)	
Net revenue after taxation			1,898		1,552
Total return before distributions			17,065		(13,653)
Distributions	7		(2,551)		(2,200)
Change in net assets attributable to Shareholders from investment activities			14,514		(15,853)

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		54,310		67,946
Amounts received on issue of shares	1,513		6,311	
Amounts paid on redemption of shares	(6,961)		(5,458)	
		(5,448)		853
Change in net assets attributable to Shareholders from investment activities		14,514		(15,853)
Retained distribution on accumulation shares		1,554		1,358
Unclaimed distributions		1		6
Closing net assets attributable to Shareholders		64,931		54,310

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			64,659		54,207
Current assets					
Debtors	8	189		139	
Cash and bank balances		936		325	
Total other assets			1,125		464
Total assets			65,784		54,671
Liabilities					
Creditors					
Bank overdrafts		—		(2)	
Distribution payable		(335)		(196)	
Other creditors	9	(518)		(163)	
Total other liabilities			(853)		(361)
Total liabilities			(853)		(361)
Net assets attributable to Shareholders			64,931		54,310

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

1	2	3	4	5	6	7
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The risk and reward category is calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The Sub-fund appears in the higher risk category on the risk and reward indicator.

The risk rating of this share class is calculated on the basis of historic volatility – i.e. how much the value of the underlying assets of the Fund has fluctuated over the last 5 years.

This share class has been placed in the risk category stated above, because based on the simulated historic data, the underlying assets within the Fund have shown high volatility.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, and the currency of the Sub-fund's investments, your share class and your home currency.

High yielding assets may carry a greater risk of capital values falling or have limited prospects of capital growth or recovery.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

The annual management charge is deducted from the capital of the Sub-fund. This will increase the income from the Sub-fund but may constrain or erode potential for capital growth.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	508.55	654.53	677.12
Return before operating charges ⁽¹⁾	170.14	(120.45)	14.70
Operating charges	(5.13)	(4.82)	(5.30)
Return after operating charges	165.01	(125.27)	9.40
Distributions	(24.97)	(20.71)	(31.99)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	648.59	508.55	654.53
After direct transaction costs of ⁽¹⁾	(1.09)	(1.67)	(1.04)
Performance			
Return after charges	32.45%	(19.14%)	1.39%
Other information			
Closing net asset value (£'000)	21,502	17,994	17,111
Closing number of shares	3,315,262	3,538,288	2,614,249
Operating charges	0.83%	0.83%	0.82%
Direct transaction costs	0.17%	0.29%	0.16%
Prices			
Highest share price	674.60	696.80	678.80
Lowest share price	488.30	431.90	598.10

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

A Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	918.51	1,137.77	1,120.69
Return before operating charges ⁽¹⁾	308.97	(210.76)	26.00
Operating charges	(9.39)	(8.50)	(8.92)
Return after operating charges	299.58	(219.26)	17.08
Distributions	(45.74)	(36.49)	(53.94)
Retained distributions on accumulation	45.74	36.49	53.94
Closing net asset value per share	1,218.09	918.51	1,137.77
After direct transaction costs of ⁽¹⁾	(1.99)	(2.94)	(1.75)
Performance			
Return after charges	32.62%	(19.27%)	1.52%
Other information			
Closing net asset value (£'000)	7,024	6,404	7,230
Closing number of shares	576,664	697,155	635,399
Operating charges	0.83%	0.83%	0.82%
Direct transaction costs	0.17%	0.29%	0.16%
Prices			
Highest share price	1,250.00	1,212.00	1,161.00
Lowest share price	882.00	756.90	989.90

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

B Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	463.16	599.18	622.99
Return before operating charges ⁽¹⁾	154.75	(110.05)	13.37
Operating charges	(7.47)	(7.06)	(7.83)
Return after operating charges	147.28	(117.11)	5.54
Distributions	(22.69)	(18.91)	(29.35)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	587.75	463.16	599.18
After direct transaction costs of ⁽¹⁾	(0.99)	(1.53)	(0.96)
Performance			
Return after charges	31.80%	(19.55%)	0.89%
Other information			
Closing net asset value (£'000)	3,122	3,017	7,209
Closing number of shares	531,171	651,488	1,203,157
Operating charges	1.33%	1.33%	1.32%
Direct transaction costs	0.17%	0.29%	0.16%
Prices			
Highest share price	611.50	637.10	624.60
Lowest share price	444.60	394.40	549.60

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

B Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,174.15	1,461.75	1,447.02
Return before operating charges ⁽¹⁾	394.39	(270.15)	33.23
Operating charges	(19.19)	(17.45)	(18.50)
Return after operating charges	375.20	(287.60)	14.73
Distributions	(58.29)	(46.77)	(69.46)
Retained distributions on accumulation	58.29	46.77	69.46
Closing net asset value per share	1,549.35	1,174.15	1,461.75
After direct transaction costs of ⁽¹⁾	(2.54)	(3.77)	(2.26)
Performance			
Return after charges	31.96%	(19.68%)	1.02%
Other information			
Closing net asset value (£'000)	33,283	26,895	36,396
Closing number of shares	2,148,157	2,290,631	2,489,896
Operating charges	1.33%	1.33%	1.32%
Direct transaction costs	0.17%	0.29%	0.16%
Prices			
Highest share price	1,590.00	1,554.00	1,493.00
Lowest share price	1,127.00	970.10	1,277.00

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Income				
Group 1	8.8327	—	8.8327	4.7575
Group 2	2.4151	6.4176	8.8327	4.7575
A Accumulation				
Group 1	16.3639	—	16.3639	8.5129
Group 2	5.6342	10.7297	16.3639	8.5129
B Income				
Group 1	8.0153	—	8.0153	4.3306
Group 2	5.6018	2.4135	8.0153	4.3306
B Accumulation				
Group 1	20.8265	—	20.8265	10.8884
Group 2	10.5832	10.2433	20.8265	10.8884

3rd Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.08.21	Distribution paid 31.08.20
A Income				
Group 1	6.3361	—	6.3361	4.6272
Group 2	3.2570	3.0791	6.3361	4.6272
A Accumulation				
Group 1	11.6144	—	11.6144	8.1969
Group 2	6.7099	4.9045	11.6144	8.1969
B Income				
Group 1	5.7562	—	5.7562	4.2220
Group 2	1.5070	4.2492	5.7562	4.2220
B Accumulation				
Group 1	14.7935	—	14.7935	10.5006
Group 2	6.1003	8.6932	14.7935	10.5006

2nd Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Income				
Group 1	5.6118	—	5.6118	5.7053
Group 2	1.5092	4.1026	5.6118	5.7053
A Accumulation				
Group 1	10.2057	—	10.2057	9.9991
Group 2	5.4924	4.7133	10.2057	9.9991
B Income				
Group 1	5.1014	—	5.1014	5.2130
Group 2	2.4564	2.6450	5.1014	5.2130
B Accumulation				
Group 1	13.0210	—	13.0210	12.8218
Group 2	6.0212	6.9998	13.0210	12.8218

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Distribution tables continued

for the year ended 30 September 2021

Dividend distribution in pence per share.

1st Interim Distribution

	Net revenue	Equalisation	Distribution paid 28.02.21	Distribution paid 28.02.20
A Income				
Group 1	4.1886	—	4.1886	5.6243
Group 2	0.5553	3.6333	4.1886	5.6243
A Accumulation				
Group 1	7.5558	—	7.5558	9.7769
Group 2	5.6633	1.8925	7.5558	9.7769
B Income				
Group 1	3.8124	—	3.8124	5.1459
Group 2	0.7567	3.0557	3.8124	5.1459
B Accumulation				
Group 1	9.6526	—	9.6526	12.5543
Group 2	5.7876	3.8650	9.6526	12.5543

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains/(losses)

	30.09.21 £'000	30.09.20 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	15,168	(15,201)
Currency gains/(losses)	1	(2)
Custodian transaction fees	(2)	(2)
Net capital gains/(losses)	15,167	(15,205)

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Bank interest	—	1
Non-taxable overseas dividends	159	115
Stock dividends	—	2
UK dividends	2,382	2,082
UK REIT dividends	37	31
Taxable overseas dividends	42	22
Total revenue	2,620	2,253

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	653	648
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	17	16
Safe custody fees	5	5
	22	21
Other expenses:		
Audit fee	12	11
Legal and other professional fees	4	6
Non-audit fees paid to the auditor	4	—
Registration fees	7	9
	27	26
Total expenses	702	695

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	20	6
Total current tax (note 5b)	20	6
Deferred tax (note 5c)	—	—
Total taxation	20	6

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

b) Factors affecting taxation charge for the year

Net revenue before taxation	1,918	1,558
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	384	312
Effects of:		
Movement in unrecognised tax losses	125	129
Overseas tax	20	6
Relief on overseas tax expensed	(1)	(1)
Revenue not subject to tax	(508)	(440)
Total current tax (note 5a)	20	6

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £5,126,000 (2020: £5,001,000) due to tax losses of £25,631,000 (2020: £25,003,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21	30.09.20
	£'000	£'000
Interest	—	—
Total interest payable and similar charges	—	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21	30.09.20
	£'000	£'000
1st Interim	439	575
2nd Interim	571	618
3rd Interim	639	502
Final	877	505
	2,526	2,200
Add: Revenue deducted on cancellation of shares	34	28
Less: Revenue received on issue of shares	(9)	(28)
Net distributions for the year	2,551	2,200

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21	30.09.20
	£'000	£'000
Net revenue after taxation	1,898	1,552
Add: ACD's periodic charge to capital	653	648
Net distributions for the year	2,551	2,200

Details of the distributions per share are set out in the tables on pages 135 to 136.

8 Debtors

	30.09.21	30.09.20
	£'000	£'000
Accrued revenue	146	93
Amounts receivable for issue of shares	5	17
Income tax recoverable	14	—
Overseas tax recoverable	24	29
Total debtors	189	139

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

9 Other creditors

	30.09.21 £'000	30.09.20 £'000
Accrued expenses	75	68
Amounts payable for cancellation of shares	46	55
Purchases awaiting settlement	397	40
Total other creditors	518	163

10 Contingent assets/(liabilities) and outstanding commitments

There were no contingent assets/(liabilities) or outstanding commitments at the balance sheet date (2020: £nil).

11 Related party disclosures

Details of the related party disclosures are included within note 4 of the notes to the Financial Statements of all Sub-funds on page 11.

12 Financial instruments

Details of the financial instruments risk disclosures are set out in note 2 of the notes to the Financial Statements of all Sub-funds on pages 7 to 9.

a) Currency exposure profile

	Net currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
30.09.21			
Currency			
Euro	—	1,860	1,860
United States Dollar	—	9	9
	—	1,869	1,869
	Net currency assets/(liabilities)		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
30.09.20			
Currency			
Euro	—	1,430	1,430
United States Dollar	(2)	—	(2)
	(2)	1,430	1,428

b) Interest rate risk profile

The Sub-fund's only interest bearing financial instruments at the balance sheet date are represented by its cash balances and overdraft facility, which earn or bear interest in commercial terms.

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	64,659	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	64,659	—
30.09.20		
Level 1: Quoted prices	54,207	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	54,207	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

12 Financial instruments continued

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

13 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	20,509	8	0.04	92	0.45
Collective investment schemes	31	—	—	—	—
Total	20,540	8		92	
Total purchases including commission and taxes	20,640				
Sales (excluding derivatives)					
Equity transactions (direct)	24,924	11	0.04	—	—
Collective investment schemes	10	—	—	—	—
Total	24,934	11		—	
Total sales net of transaction costs	24,923				
Total transaction costs		19		92	
Total transaction costs as a % of average net assets		0.03%		0.14%	

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	33,186	14	0.04	147	0.44
Collective investment schemes	284	—	—	—	—
Total	33,470	14		147	
Total purchases including commission and taxes	33,631				
Sales (excluding derivatives)					
Equity transactions (direct)	31,251	15	0.05	—	—
Collective Investment Schemes	5	—	—	—	—
Total	31,256	15		—	
Total sales net of transaction costs	31,241				
Total transaction costs		29		147	
Total transaction costs as a % of average net assets		0.05%		0.24%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.18% (2020: 0.28%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard Multicap UK Income Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

14 Share movement

For the year 1 October 2020 to 30 September 2021

	A Income shares	A Accumulation shares	B Income shares	B Accumulation shares
Opening shares	3,538,288	697,155	651,488	2,290,631
Shares issued	92,689	13,833	18,258	46,843
Shares redeemed	(366,646)	(135,695)	(81,304)	(188,704)
Shares converted	50,931	1,371	(57,271)	(613)
Closing shares	3,315,262	576,664	531,171	2,148,157

15 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	%
A Income	659.80	674.03	2.16%
A Accumulation	1,223.00	1,273.87	4.16%
B Income	598.00	609.85	1.98%
B Accumulation	1,555.00	1,617.80	4.04%

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21 £'000	21.01.22 £'000	%
A Income	21,502	21,672	0.79%
A Accumulation	7,024	7,140	1.65%
B Income	3,122	3,185	2.02%
B Accumulation	33,283	34,062	2.34%

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard UK Omega Fund (the "Sub-fund") is to achieve long-term capital growth over at least 5 years.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund returned 32.24% in sterling, against the FTSE All-Share Index, which returned 27.90%⁽¹⁾.

Investment Policy

The Sub-fund will invest at least 70% in equity and equity-related securities (namely, common and preferred stock, including securities subject to an initial public offering, convertible securities, warrants and rights) ("Securities") of companies that are domiciled, incorporated, or which have a significant portion of their business primarily in the UK.

The Sub-fund is actively managed and will typically hold a concentrated portfolio of between 25 and 35 Securities. The Sub-fund may invest in any industry sector and in companies of any market capitalisation. The Sub-Fund may also invest in companies which are listed, quoted or traded in the UK and in units or shares of other collective investment schemes (which may also include exchange traded funds and listed closed-end funds), cash and near cash.

The Sub-fund may invest in shares or units of collective investment schemes which are managed or operated by the ACD or an associate of the ACD.

The Sub-fund may use derivatives and forward transactions for the purposes of efficient portfolio management. The ACD considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the Sub-Fund.

Market review

UK markets ended the twelve-month period higher, as the rollout of the vaccine programme and easing of restrictions permitted a phased reopening of the economy. Early in the period, news of the trade deal with the European Union (EU) was received positively by the market, paving the way for a potential resumption of business and consumer investment. The economic recovery gained momentum, with services and manufacturing Purchasing Managers' Indexes (PMIs) reaching multi-year highs in the summer. The pace of expansion has more recently slowed, with labour and goods shortages and supply chain bottlenecks have curtailing activity. Inflation remains near the forefront of investors' minds. In addition to labour shortages, rising energy prices have pushed overall costs higher. Amidst price increases, the Bank of England has yet to change its main lending rate from 0.1%, but the committee appears less dovish than earlier in the year. Elsewhere, merger & acquisition (M&A) activity was a theme as investors bid for companies such as grocer Wm Morrison, gaming company Entain, and aerospace and defence equipment supplier Meggitt.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, C Accumulation share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Portfolio Review

What contributed to Returns

- Stock selection in financials and consumer discretionary contributed to performance.
- Amongst banks, Barclays contributed to performance. The company continues to be appreciated for its card business, with an acquisition of a credit card portfolio in the U.S., which should benefit from a U.S. consumer recovery.
- Aerospace and defence business, Meggitt, was a significant contributor to performance. Shares in the company appreciated with an anticipated normalisation in end-market activity.

What detracted from Returns

- Stock selection in consumer staples and telecommunications detracted from performance.
- Being underweight Royal Dutch Shell detracted, as the energy sector had strong performance amidst rising resource prices.
- Not owning Glencore also hurt relative performance. The miner has relatively little exposure to iron ore and more focus on other industrial metals, where prices generally displayed greater resilience through the period.

Outlook

UK equities are attractively valued relative to other countries and on an absolute basis. Underlying economic momentum remains positive, and the resumption of dividend payments is also likely to be supportive.

However, several factors, including the outlook for inflation, labour market dynamics, resilience of supply chains, and COVID-19 developments over the winter months are sources of concern that require careful navigation. Companies that build on their competitive advantages, successfully respond to challenges, and adapt to new consumer habits could help to lead the economic recovery and emerge from the pandemic stronger than before.

Fund Manager: Alan Custis and team.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (97.43%)		279,420	97.14
Advertising (2.29%)		7,425	2.58
WPP	742,521	7,425	2.58
Aerospace & Defence (2.01%)		—	—
Agriculture (4.36%)		7,704	2.68
British American Tobacco	295,851	7,704	2.68
Airlines (0.00%)		2,990	1.04
easyJet	451,181	2,990	1.04
Apparel (2.30%)		11,267	3.92
Burberry	296,381	5,379	1.87
Dr. Martens	1,495,141	5,888	2.05
Banks (6.03%)		29,161	10.14
Barclays	6,774,553	12,845	4.47
Lloyds Banking	18,870,767	8,786	3.05
Standard Chartered	1,727,078	7,530	2.62
Beverages (4.54%)		20,191	7.02
Coca-Cola HBC	351,847	8,437	2.93
Diageo	325,993	11,754	4.09
Chemicals (2.12%)		6,335	2.20
Synthomer	1,273,067	6,335	2.20
Commercial Services (1.96%)		12,589	4.38
Intertek	98,851	4,918	1.71
RELX	357,320	7,671	2.67
Cosmetics & Personal Care (5.70%)		14,416	5.01
Unilever	359,944	14,416	5.01
Distribution & Wholesale (5.90%)		7,100	2.47
Ferguson	68,698	7,100	2.47
Diversified Financial Services (2.47%)		—	—
Food Producers (8.43%)		21,885	7.61
Associated British Foods	389,849	7,249	2.52
SSP	2,246,538	6,219	2.16
Tesco	3,323,080	8,417	2.93
Forest Products & Paper (0.00%)		7,355	2.56
Smurfit Kappa	189,959	7,355	2.56
Home Builders (2.34%)		—	—
Home Furnishings (0.00%)		2,871	1.00
Made.com	2,050,844	2,871	1.00
Insurance (5.14%)		15,479	5.38
Direct Line Insurance	2,045,182	5,923	2.06
Prudential	657,033	9,556	3.32
Investment Companies (0.00%)		2,885	1.00
Petershill Partners	824,250	2,885	1.00
Lodging (2.04%)		6,739	2.34
Whitbread	203,216	6,739	2.34
Machinery Diversified (2.57%)		5,288	1.84
IMI	318,539	5,288	1.84
Media (2.64%)		—	—
Mining (7.10%)		15,165	5.27
Anglo American	247,494	6,490	2.26
Rio Tinto	176,551	8,675	3.01
Oil & Gas Producers (4.70%)		32,526	11.31
BP	5,119,693	17,420	6.06
Royal Dutch Shell	915,721	15,106	5.25
Pharmaceuticals (9.66%)		23,873	8.30
AstraZeneca	266,558	23,873	8.30

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Private Equity (3.32%)		8,635	3.00
3i	674,058	8,635	3.00
Real Estate Investment Trusts (1.94%)		—	—
Retail (5.07%)		11,282	3.92
JD Sports Fashion	641,510	6,726	2.34
Restaurant	4,423,071	4,556	1.58
Telecommunications (2.80%)		6,259	2.17
Vodafone	5,524,001	6,259	2.17
Mutual Funds (2.06%)		6,146	2.14
Trian Investors 1 Fund	4,801,610	6,146	2.14
Portfolio of investments (99.49%)		285,566	99.28
Net other assets (0.51%)		2,061	0.72
Net assets attributable to Shareholders		287,627	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.

The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		62,674		(35,802)
Revenue	3	9,131		5,314	
Expenses	4	(1,867)		(1,399)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation		7,264		3,915	
Taxation	5	—		—	
Net revenue after taxation			7,264		3,915
Total return before distributions			69,938		(31,887)
Distributions	7		(7,264)		(3,919)
Change in net assets attributable to Shareholders from investment activities			62,674		(35,806)

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		208,192		196,579
Amounts received on issue of shares	81,167		72,543	
Amounts paid on redemption of shares	(68,697)		(28,137)	
		12,470		44,406
Dilution adjustment		33		238
Change in net assets attributable to Shareholders from investment activities		62,674		(35,806)
Retained distribution on accumulation shares		4,255		2,765
Unclaimed distributions		3		10
Closing net assets attributable to Shareholders		287,627		208,192

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			285,566		207,137
Current assets					
Debtors	8	809		1,057	
Cash and bank balances		6,505		2,234	
Total other assets			7,314		3,291
Total assets			292,880		210,428
Liabilities					
Creditors					
Distribution payable		(1,836)		(516)	
Other creditors	9	(3,417)		(1,720)	
Total other liabilities			(5,253)		(2,236)
Total liabilities			(5,253)		(2,236)
Net assets attributable to Shareholders			287,627		208,192

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

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

The risk and reward category is calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The Sub-fund appears in the higher risk category on the risk and reward indicator.

This is because based on historic data, the underlying assets within the Sub-fund have shown high volatility.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, and the currency of the Sub-fund's investments, your share class and your home currency.

In view of the concentrated nature of the Sub-fund's portfolio of investments, the level of risk is expected to be higher than for broader based portfolios and the net asset value may be more volatile.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	179.71	219.66	235.13
Return before operating charges ⁽¹⁾	58.67	(34.35)	(6.31)
Operating charges	(2.29)	(2.07)	(2.30)
Return after operating charges	56.38	(36.42)	(8.61)
Distributions	(5.12)	(3.53)	(6.86)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	230.97	179.71	219.66
After direct transaction costs of ⁽¹⁾	(1.08)	(1.24)	(1.26)
Performance			
Return after charges	31.37%	(16.58%)	(3.66%)
Other information			
Closing net asset value (£'000)	9,672	7,878	6,910
Closing number of shares	4,187,506	4,383,780	3,145,922
Operating charges	1.05%	1.05%	1.05%
Direct transaction costs	0.49%	0.63%	0.58%
Prices			
Highest share price	237.50	231.90	235.50
Lowest share price	171.70	146.60	199.60

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

A Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	224.97	269.23	279.39
Return before operating charges ⁽¹⁾	73.63	(41.71)	(7.41)
Operating charges	(2.89)	(2.55)	(2.75)
Return after operating charges	70.74	(44.26)	(10.16)
Distributions	(6.44)	(4.35)	(8.21)
Retained distributions on accumulation	6.44	4.35	8.21
Closing net asset value per share	295.71	224.97	269.23
After direct transaction costs of ⁽¹⁾	(1.36)	(1.53)	(1.51)
Performance			
Return after charges	31.45%	(16.44%)	(3.64%)
Other information			
Closing net asset value (£'000)	8,053	6,730	9,005
Closing number of shares	2,723,274	2,991,419	3,344,975
Operating charges	1.05%	1.05%	1.05%
Direct transaction costs	0.49%	0.63%	0.58%
Prices			
Highest share price	300.40	284.20	279.80
Lowest share price	215.00	179.70	237.20

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

B Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	179.50	219.21	234.66
Return before operating charges ⁽¹⁾	58.53	(34.13)	(6.32)
Operating charges	(3.38)	(3.05)	(3.38)
Return after operating charges	55.15	(37.18)	(9.70)
Distributions	(4.02)	(2.53)	(5.75)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	230.63	179.50	219.21
After direct transaction costs of ⁽¹⁾	(1.08)	(1.24)	(1.26)
Performance			
Return after charges	30.72%	(16.96%)	(4.13%)
Other information			
Closing net asset value (£'000)	6,045	5,200	10,444
Closing number of shares	2,621,140	2,896,947	4,764,244
Operating charges	1.55%	1.55%	1.55%
Direct transaction costs	0.49%	0.63%	0.58%
Prices			
Highest share price	236.60	231.10	235.00
Lowest share price	171.50	145.90	199.00

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

B Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	209.04	251.41	262.25
Return before operating charges ⁽¹⁾	68.33	(38.86)	(7.04)
Operating charges	(3.95)	(3.51)	(3.80)
Return after operating charges	64.38	(42.37)	(10.84)
Distributions	(4.70)	(2.92)	(6.45)
Retained distributions on accumulation	4.70	2.92	6.45
Closing net asset value per share	273.42	209.04	251.41
After direct transaction costs of ⁽¹⁾	(1.26)	(1.43)	(1.41)
Performance			
Return after charges	30.80%	(16.85%)	(4.13%)
Other information			
Closing net asset value (£'000)	979	721	1,060
Closing number of shares	358,013	344,903	421,653
Operating charges	1.55%	1.55%	1.55%
Direct transaction costs	0.49%	0.63%	0.58%
Prices			
Highest share price	277.80	265.10	262.60
Lowest share price	199.70	167.40	222.40

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

C Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	179.92	220.02	235.50
Return before operating charges ⁽¹⁾	58.77	(34.49)	(6.30)
Operating charges	(1.75)	(1.58)	(1.76)
Return after operating charges	57.02	(36.07)	(8.06)
Distributions	(5.68)	(4.03)	(7.42)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	231.26	179.92	220.02
After direct transaction costs of ⁽¹⁾	(1.08)	(1.25)	(1.26)
Performance			
Return after charges	31.69%	(16.39%)	(3.42%)
Other information			
Closing net asset value (£'000)	17,708	16,881	26,668
Closing number of shares	7,657,116	9,382,485	12,120,898
Operating charges	0.80%	0.80%	0.80%
Direct transaction costs	0.49%	0.63%	0.58%
Prices			
Highest share price	238.00	232.40	235.90
Lowest share price	172.00	147.00	200.10

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

C Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	225.09	268.67	278.11
Return before operating charges ⁽¹⁾	73.72	(41.64)	(7.35)
Operating charges	(2.20)	(1.94)	(2.09)
Return after operating charges	71.52	(43.58)	(9.44)
Distributions	(7.14)	(4.95)	(8.84)
Retained distributions on accumulation	7.14	4.95	8.84
Closing net asset value per share	296.61	225.09	268.67
After direct transaction costs of ⁽¹⁾	(1.36)	(1.53)	(1.50)
Performance			
Return after charges	31.78%	(16.22%)	(3.39%)
Other information			
Closing net asset value (£'000)	80,261	71,648	64,409
Closing number of shares	27,059,795	31,830,013	23,973,500
Operating charges	0.80%	0.80%	0.80%
Direct transaction costs	0.49%	0.63%	0.58%
Prices			
Highest share price	301.20	283.80	278.50
Lowest share price	215.20	179.50	236.20

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

EA Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	89.28	109.23	116.90
Return before operating charges ⁽¹⁾	29.18	(17.16)	(3.11)
Operating charges	(0.59)	(0.54)	(0.60)
Return after operating charges	28.59	(17.70)	(3.71)
Distributions	(3.10)	(2.25)	(3.96)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	114.77	89.28	109.23
After direct transaction costs of ⁽¹⁾	(0.54)	(0.62)	(0.63)
Performance			
Return after charges	32.02%	(16.20%)	(3.17%)
Other information			
Closing net asset value (£'000)	95,802	31,251	31,002
Closing number of shares	83,470,780	35,002,794	28,381,835
Operating charges	0.54%	0.55%	0.55%
Direct transaction costs	0.49%	0.63%	0.58%
Prices			
Highest share price	118.30	115.50	117.10
Lowest share price	85.36	73.07	99.37

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

EA Accumulation

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	104.28	124.16	128.21
Return before operating charges ⁽¹⁾	34.17	(19.26)	(3.39)
Operating charges	(0.70)	(0.62)	(0.66)
Return after operating charges	33.47	(19.88)	(4.05)
Distributions	(3.63)	(2.57)	(4.38)
Retained distributions on accumulation	3.63	2.57	4.38
Closing net asset value per share	137.75	104.28	124.16
After direct transaction costs of ⁽¹⁾	(0.63)	(0.71)	(0.69)
Performance			
Return after charges	32.10%	(16.01%)	(3.16%)
Other information			
Closing net asset value (£'000)	69,107	67,883	47,081
Closing number of shares	50,167,873	65,095,528	37,918,074
Operating charges	0.55%	0.55%	0.55%
Direct transaction costs	0.49%	0.63%	0.58%
Prices			
Highest share price	139.90	131.20	128.40
Lowest share price	99.70	83.05	109.00

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Income				
Group 1	2.8333	—	2.8333	1.2628
Group 2	1.9949	0.8384	2.8333	1.2628
A Accumulation				
Group 1	3.5827	—	3.5827	1.5651
Group 2	2.6139	0.9688	3.5827	1.5651
B Income				
Group 1	2.2464	—	2.2464	0.8055
Group 2	1.3774	0.8690	2.2464	0.8055
B Accumulation				
Group 1	2.6376	—	2.6376	0.9376
Group 2	0.5450	2.0926	2.6376	0.9376
C Income				
Group 1	3.1287	—	3.1287	1.4865
Group 2	2.1071	1.0216	3.1287	1.4865
C Accumulation				
Group 1	3.9586	—	3.9586	1.8411
Group 2	2.2544	1.7042	3.9586	1.8411
EA Income				
Group 1	1.6989	—	1.6989	0.8504
Group 2	1.0905	0.6084	1.6989	0.8504
EA Accumulation				
Group 1	2.0075	—	2.0075	0.9863
Group 2	1.2824	0.7251	2.0075	0.9863

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Distribution tables continued

for the year ended 30 September 2021

Dividend distribution in pence per share.

Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Income				
Group 1	2.2864	—	2.2864	2.2692
Group 2	1.5111	0.7753	2.2864	2.2692
A Accumulation				
Group 1	2.8603	—	2.8603	2.7810
Group 2	1.5971	1.2632	2.8603	2.7810
B Income				
Group 1	1.7692	—	1.7692	1.7261
Group 2	1.0000	0.7692	1.7692	1.7261
B Accumulation				
Group 1	2.0641	—	2.0641	1.9800
Group 2	1.3039	0.7602	2.0641	1.9800
C Income				
Group 1	2.5466	—	2.5466	2.5426
Group 2	1.0749	1.4717	2.5466	2.5426
C Accumulation				
Group 1	3.1842	—	3.1842	3.1064
Group 2	1.8186	1.3656	3.1842	3.1064
EA Income				
Group 1	1.3964	—	1.3964	1.3975
Group 2	0.6321	0.7643	1.3964	1.3975
EA Accumulation				
Group 1	1.6252	—	1.6252	1.5885
Group 2	1.0904	0.5348	1.6252	1.5885

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains/(losses)

	30.09.21 £'000	30.09.20 £'000
The net capital gains/(losses) during the year comprise:		
Non-derivative securities	62,670	(35,797)
Currency gains/(losses)	7	(1)
Custodian transaction fees	(3)	(4)
Net capital gains/(losses)	62,674	(35,802)

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Bank interest	—	3
Non-taxable overseas dividends	376	222
UK dividends	8,637	5,089
UK REIT dividends	118	—
Total revenue	9,131	5,314

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	1,747	1,311
Payable to the Depository, associates of the Depository, and agents of either of them:		
Depository's fees	74	49
Safe custody fees	14	12
	88	61
Other expenses:		
Audit fee	12	11
Legal and other professional fees	13	6
Other expenses	—	1
Registration fees	7	9
	32	27
Total expenses	1,867	1,399

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	—	—
Total current tax (note 5b)	—	—
Deferred tax (note 5c)	—	—
Total taxation	—	—
b) Factors affecting taxation charge for the year		
Net revenue before taxation	7,264	3,915
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	1,453	783
Effects of:		
Movement in unrecognised tax losses	350	279
Revenue not subject to tax	(1,803)	(1,062)
Total current tax (note 5a)	—	—

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £2,234,000 (2020: £1,184,000) due to tax losses of £11,170,000 (2020: £9,240,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21 £'000	30.09.20 £'000
Interest	—	—
Total interest payable and similar charges	—	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21 £'000	30.09.20 £'000
Interim	3,370	2,345
Final	4,021	1,794
	7,391	4,139
Add: Revenue deducted on cancellation of shares	364	119
Less: Revenue received on issue of shares	(491)	(339)
Net distributions for the year	7,264	3,919

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21 £'000	30.09.20 £'000
Net revenue after taxation	7,264	3,915
Add: Equalisation on conversions	—	4
Net distributions for the year	7,264	3,919

Details of the distributions per share are set out in the tables on pages 152 to 153.

8 Debtors

	30.09.21 £'000	30.09.20 £'000
Accrued revenue	413	123
Amounts receivable for issue of shares	365	246
Income tax recoverable	23	—
Overseas tax recoverable	8	13
Sales awaiting settlement	—	675
Total debtors	809	1,057

9 Other creditors

	30.09.21 £'000	30.09.20 £'000
Accrued expenses	179	143
Amounts payable for cancellation of shares	363	444
Purchases awaiting settlement	2,875	1,133
Total other creditors	3,417	1,720

10 Contingent assets/(liabilities) and outstanding commitments

There were no contingent assets/(liabilities) or outstanding commitments at the balance sheet date (2020: £nil).

11 Related party disclosures

Details of the related party disclosures are included within note 4 of the notes to the Financial Statements of all Sub-funds on page 11.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

12 Financial instruments

Details of the financial instruments risk disclosures are set out in note 2 of the notes to the Financial Statements of all Sub-funds on pages 7 to 9.

a) Currency exposure profile

	Net currency assets		Total £'000
	Monetary exposures £'000	Non-monetary exposures £'000	
30.09.21			
Currency			
Euro	—	56	56
United States Dollar	326	35	361
	326	91	417
30.09.20			
Currency			
Euro	—	13	13
	—	13	13

b) Interest rate risk profile

The Sub-fund's only interest bearing financial instruments at the balance sheet date are represented by its cash balances and overdraft facility, which earn or bear interest in commercial terms.

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	285,566	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	285,566	—
30.09.20		
Level 1: Quoted prices	207,137	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	207,137	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

13 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	248,776	114	0.05	1,111	0.45
Collective investment schemes	463	—	—	—	—
Total	249,239	114		1,111	
Total purchases including commission and taxes	250,464				
Sales (excluding derivatives)					
Equity transactions (direct)	232,040	109	0.05	—	—
Collective investment schemes	272	—	—	—	—
Total	232,312	109		—	
Total sales net of transaction costs	232,203				
Total transaction costs		223		1,111	
Total transaction costs as a % of average net assets		0.08%		0.41%	

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	222,187	112	0.05	993	0.48
Collective investment schemes	242	—	—	—	—
Total	222,429	112		993	
Total purchases including commission and taxes	223,534				
Sales (excluding derivatives)					
Equity transactions (direct)	173,979	84	0.05	—	—
Total	173,979	84		—	
Total sales net of transaction costs	173,895				
Total transaction costs		196		993	
Total transaction costs as a % of average net assets		0.10%		0.53%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.12% (2020: 0.13%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Omega Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

14 Share movement

For the year 1 October 2020 to 30 September 2021

	A Income shares	A Accumulation shares	B Income shares	B Accumulation shares
Opening shares	4,383,780	2,991,419	2,896,947	344,903
Shares issued	16,346	244,781	33,286	104,009
Shares redeemed	(207,709)	(512,926)	(308,240)	(90,848)
Shares converted	(4,911)	—	(853)	(51)
Closing shares	4,187,506	2,723,274	2,621,140	358,013

	C Income shares	C Accumulation shares	EA Income shares	EA Accumulation shares
Opening shares	9,382,485	31,830,013	35,002,794	65,095,528
Shares issued	166,354	1,381,337	62,926,436	7,147,594
Shares redeemed	(1,608,987)	(6,149,918)	(15,039,681)	(22,078,873)
Shares converted	(282,736)	(1,637)	581,231	3,624
Closing shares	7,657,116	27,059,795	83,470,780	50,167,873

15 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	%
A Income	234.50	242.07	3.23%
A Accumulation	296.50	309.97	4.54%
B Income	233.50	241.35	3.36%
B Accumulation	274.20	286.17	4.37%
C Income	235.00	242.57	3.22%
C Accumulation	297.40	311.10	4.61%
EA Income	116.80	120.48	3.15%
EA Accumulation	138.10	144.56	4.68%

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21 £'000	21.01.22 £'000	%
A Income	9,672	10,042	3.83%
A Accumulation	8,053	8,342	3.59%
B Income	6,045	6,273	3.77%
B Accumulation	979	962	(1.74%)
C Income	17,708	17,538	(0.96%)
C Accumulation	80,261	14,251	(82.24%)
EA Income	95,802	101,564	6.01%
EA Accumulation	69,107	3,100	(95.51%)

C Accumulation and EA Accumulation share classes had redemptions of greater than 10% between the balance sheet date and 21 January 2022 (83.07% for C Accumulation and 95.73% for EA Accumulation). Other share classes of the Sub-fund have not seen significant activity during the same period.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund

Investment Manager's Report

Investment Objective

The objective of the Lazard UK Smaller Companies Fund (the "Sub-fund") is to achieve capital growth, over at least 5 years, at a rate greater than that of the Numis Smaller Companies Index ex Investment Companies Index.

Investment Review

Over the twelve-month period ending 30 September 2021, the Sub-fund returned 58.06% in sterling terms, against the NSCI ex-Investment Companies Index, which returned 45.93%⁽¹⁾.

Investment Policy

The Sub-fund will invest at least 80% in equity and equity-related securities (namely, common and preferred stock - including securities subject to an initial public offering - convertible securities, warrants and rights) of companies that are domiciled, incorporated or have a significant portion of their business in the UK. The Sub-fund will invest at least 80% of its assets in UK companies which form part of the bottom 10% - by market capitalisation - of the UK market. The portfolio construction process uses fundamental bottom-up company analysis to develop an in-depth understanding of the fundamentals of each company coming within the investment universe (for example, through detailed consideration of their financial statements, quality and depth of management, competitive position and sensitivity to economic/market cycles) in order to identify securities with the potential to demonstrate sustainably high or improving financial returns (such as returns on equity, for example) and which, given that potential, are assessed by the Investment Manager as being (when compared with other stocks within the investment universe) attractively priced or undervalued at the time of purchase.

The Sub-fund may also invest in the units or shares of other open ended collective investment schemes (which may also include exchange traded funds), which provide equity exposure consistent with the investment policy of the Sub-fund. In addition, the Sub-fund will be permitted to invest in units or shares of listed closed-end funds which provide equity exposure consistent with the Sub-fund's investment policy and which are eligible for UCITS investment purposes. The collective investment schemes in which the Sub-fund invests may include those managed or operated by the ACD or an associate of the ACD.

Market review

UK small-cap equities ended the twelve-month period higher, as the roll out of the vaccine programme and easing of restrictions permitted a phased reopening of the economy. Early in the period, news of the trade deal with the EU was received positively by the market, paving the way for a potential resumption of business and consumer investment. The economic recovery gained momentum, with services and manufacturing PMIs reaching multi-year highs in the summer. The pace of expansion has more recently slowed, with labour and goods shortages and supply chain bottlenecks have curtailing activity. Inflation remains near the forefront of investors' minds. In addition to labour shortages, rising energy prices have pushed overall costs higher. Amidst price increases, the Bank of England has yet to change its main lending rate from 0.1%, but the committee appears less dovish than earlier in the year. Elsewhere, merger & acquisition (M&A) activity was a theme as investors bid for companies such as grocer Wm Morrison, gaming company Entain, and aerospace and defence equipment supplier Meggitt. From a sector perspective, the best performing sectors were health care, energy, and utilities, whereas telecoms, basic materials, and consumer staples lagged the index.

All data contained herein is sourced by Lazard Asset Management unless otherwise noted as at 30 September 2021.

(1) Source: Lazard Asset Management, NAV to NAV Price, net income reinvested in sterling, A Income share class net of fees, to 30 September 2021.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Portfolio Review

What contributed to Returns

- Stock selection in industrials and financials contributed to performance.
- Ventilation products specialist Volution Group was a strong contributor to returns. Its share price has been on a steady upwards trajectory for months, supported by March's strong interim results and raised guidance. Despite the strong performance we feel there is still plenty of upside as Volution benefits from both structural and cyclical tailwinds.
- Aerospace and defence business, Meggitt, was a significant contributor to performance. Meggitt was the subject of a takeover bid at a 71% premium by U.S. competitor Parker Hannifin, followed by a higher counter-offer by Transdigm that was ultimately withdrawn.

What detracted from Returns

- Stock selection in energy and consumer discretionary detracted from performance.
- Not owning AO World detracted from returns. Share in the electrical appliance retailer rose significantly, as consumers reallocated spending to household good items amidst a series of COVID-19 restrictions.
- Clothing retailer Boohoo performed poorly. This appears to have been triggered by the market's disappointed reaction to ASOS results in mid-August. Concerns about supply chain, logistics, and freight costs are all impacting online retail, as well as shifting sentiment around COVID-19 beneficiaries. At the very end of September Boohoo's share price was further impacted by disappointing results, with revenues and earnings falling short of expectations. Guidance around margins was reduced and capex was also increased.

Outlook

UK equities are attractively valued relative to other countries and on an absolute basis. Underlying economic momentum remains positive, and the resumption of dividend payments is also likely to be supportive.

However, several factors, including the outlook for inflation, labour market dynamics, resilience of supply chains, and COVID-19 developments over the winter months are sources of concern that require careful navigation. Companies that build on their competitive advantages, successfully respond to challenges, and adapt to new consumer habits could help to lead the economic recovery and emerge from the pandemic stronger than before.

Fund Manager: Alan Clifford and team.

Figures refer to past performance which is not a reliable indicator of future results.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Portfolio statement (Unaudited)

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Equities (99.73%)		13,265	98.19
Advertising (3.45%)		202	1.49
Pebble	76,181	118	0.87
S4 Capital	9,883	84	0.62
Aerospace & Defence (0.51%)		—	—
Agriculture (1.31%)		81	0.60
Genus	1,476	81	0.60
Airlines (0.00%)		219	1.62
Jet2	17,149	219	1.62
Apparel (0.53%)		58	0.43
boohoo	26,704	58	0.43
Automobile Manufacturers (0.00%)		—	—
Banks (1.64%)		221	1.64
Paragon Banking	40,469	221	1.64
Biotechnology (0.90%)		106	0.78
PureTech Health	29,507	106	0.78
Building Materials (3.36%)		582	4.31
Genuit	33,429	232	1.72
Norcros	68,529	206	1.52
Topps Tiles	210,526	144	1.07
Chemicals (3.37%)		226	1.67
Synthomer	45,402	226	1.67
Commercial Services (7.53%)		1,445	10.70
Alpha Financial Markets Consulting	62,009	213	1.58
Clipper Logistics	17,717	129	0.95
Gateley	70,926	174	1.29
Redde Northgate	58,276	234	1.73
RWS	23,397	147	1.09
Savills	12,750	172	1.27
SThree	39,076	225	1.67
XPS Pensions	105,526	151	1.12
Computers (7.07%)		923	6.83
Bytes Technology	21,837	111	0.82
Computacenter	4,862	132	0.98
FDM	12,132	153	1.13
GB	16,972	147	1.09
Kape Technologies	3,480	15	0.11
Made Tech	62,972	87	0.64
RM	51,178	120	0.89
Serco	118,209	158	1.17
Diversified Financial Services (6.83%)		533	3.94
Brewin Dolphin	60,521	231	1.71
Liontrust Asset Management	7,790	165	1.22
Sanne	15,227	137	1.01
Electrical Components & Equipment (0.47%)		109	0.81
Supreme	57,116	109	0.81
Electronics (4.10%)		567	4.20
Dialight	19,888	68	0.51
DiscoverIE	15,181	158	1.17
Smart Metering Systems	19,753	165	1.22
TT Electronics	67,816	176	1.30
Engineering & Construction (4.19%)		561	4.15
Headlam	49,789	245	1.81
Keller	21,020	200	1.48
Sureserve	143,143	116	0.86
Entertainment (0.62%)		219	1.62
888	39,816	171	1.27
Cineworld	60,609	48	0.35

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Environmental Control (1.56%)		248	1.83
Biffa	69,019	248	1.83
Home Builders (0.86%)		228	1.69
Vistry	18,641	228	1.69
Home Furnishings (0.00%)		87	0.64
Made.com	62,076	87	0.64
Insurance (1.49%)		174	1.29
Randall & Quilter Investment	99,590	174	1.29
Internet (3.20%)		270	2.00
Baltic Classifieds	62,183	122	0.90
Future	4,006	148	1.10
Iron & Steel (0.99%)		96	0.71
Ferrexpo	29,334	96	0.71
Leisure Time (1.84%)		221	1.64
Goals Soccer Centre*	198,204	-	0.00
Gym	74,396	221	1.64
Metal & Hardware (0.96%)		183	1.35
Bodycote	20,886	183	1.35
Mining (3.50%)		277	2.05
Centamin	170,104	163	1.21
Kenmare Resources	26,635	114	0.84
Miscellaneous Manufacturing (3.51%)		464	3.43
Morgan Advanced Materials	63,289	228	1.69
Volution	48,045	236	1.74
Oil & Gas Producers (1.68%)		545	4.04
Cairn Energy	67,653	127	0.94
Diversified Energy	137,118	163	1.21
Energiean	13,397	118	0.87
Harbour Energy	37,585	137	1.02
Oil & Gas Services (0.00%)		179	1.32
Hunting	79,517	179	1.32
Packaging & Containers (1.22%)		178	1.32
Essentra	66,530	178	1.32
Pharmaceuticals (3.35%)		267	1.98
Allergy Therapeutics	185,179	68	0.50
Clinigen	13,363	85	0.63
Indivior	52,779	114	0.85
Private Equity (1.80%)		316	2.34
Draper Esprit	17,309	174	1.29
IP	101,998	142	1.05
Real Estate Investment & Services (4.51%)		686	5.08
Belvoir	54,015	132	0.98
Helical	61,393	271	2.01
LSL Property Services	64,840	283	2.09
Real Estate Investment Trusts (0.87%)		312	2.31
Capital & Counties Properties	113,197	188	1.39
Workspace	15,058	124	0.92
Retail (5.98%)		1,382	10.23
Currys	118,638	158	1.17
DFS Furniture	80,419	208	1.54
Fulham Shore	753,263	136	1.01
J D Wetherspoon	9,444	99	0.73
Mitchells & Butlers	106,806	253	1.87
MusicMagpie	55,733	95	0.70
Pets at Home	24,643	118	0.87
Restaurant	125,464	129	0.96
Superdry	13,229	35	0.26
Watches of Switzerland	15,960	151	1.12

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Portfolio statement (Unaudited) continued

as at 30 September 2021

	Holding	Market Value £'000	% of Net Assets
Semiconductors (0.67%)		38	0.28
IQE	80,576	38	0.28
Software (5.23%)		591	4.38
Alfa Financial Software	57,148	104	0.77
Blue Prism	8,849	102	0.75
Boku	65,817	128	0.95
Hostelworld	105,560	86	0.64
Team17	12,984	97	0.72
Vianet	65,371	74	0.55
Storage & Warehousing (1.02%)		—	—
Telecommunications (1.55%)		147	1.09
Spirent Communications	52,634	147	1.09
Transportation (0.93%)		324	2.40
Braemar Shipping Services	61,831	154	1.14
National Express	70,453	170	1.26
Portfolio of investments (99.73%)		13,265	98.19
Net other assets (0.27%)		245	1.81
Net assets attributable to Shareholders		13,510	100.00

Unless otherwise stated, all holdings are quoted in ordinary shares and listed on a recognised exchange.
The percentages in brackets show the equivalent comparative holdings as at 30.09.20 (unaudited).

* Suspended security.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Statement of total return

for the year ended 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Income					
Net capital gains	2		4,698		229
Revenue	3	243		365	
Expenses	4	(136)		(242)	
Interest payable and similar charges	6	—		—	
Net revenue before taxation		107		123	
Taxation	5	(14)		(7)	
Net revenue after taxation			93		116
Total return before distributions			4,791		345
Distributions	7		(93)		(120)
Change in net assets attributable to Shareholders from investment activities			4,698		225

Statement of change in net assets attributable to Shareholders

for the year ended 30 September 2021

	30.09.21		30.09.20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		9,104		39,857
Amounts received on issue of shares	2,271		507	
Amounts paid on redemption of shares	(2,569)		(31,751)	
Dilution adjustment		(298)		(31,244)
		6		265
Change in net assets attributable to Shareholders from investment activities		4,698		225
Unclaimed distributions		—		1
Closing net assets attributable to Shareholders		13,510		9,104

Balance sheet

as at 30 September 2021

	Notes	30.09.21		30.09.20	
		£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Investments			13,265		9,072
Current assets					
Debtors	8	70		91	
Cash and bank balances		411		71	
Total other assets			481		162
Total assets			13,746		9,234
Liabilities					
Creditors					
Bank overdrafts		—		(1)	
Distribution payable		(82)		(10)	
Other creditors	9	(154)		(119)	
Total other liabilities			(236)		(130)
Total liabilities			(236)		(130)
Net assets attributable to Shareholders			13,510		9,104

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Fund facts*

as at 30 September 2021

Synthetic Risk and Reward Indicator (SRRRI)

◀ Lower Risk ----- Higher Risk ▶

Typically Lower Rewards

Typically Higher Rewards

1	2	3	4	5	6	7
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The risk and reward category is calculated using historic data and may not be a reliable indicator of the Sub-fund's future risk profile. The risk and reward category may shift over time and is not a target or guarantee.

The lowest category (i.e. category 1) does not mean "risk free".

The Sub-fund has been placed in the higher risk category on the risk and reward indicator. This is because based on the historic data, the underlying assets within the Sub-fund have shown high volatility.

The returns from your investment may be affected by changes in the exchange rate between the Sub-fund's base currency, and the currency of the Sub-fund's investments, your share class and your home currency.

The securities of smaller companies may be less well-known, trade less frequently and in more limited volumes than securities of larger companies. Smaller companies are subject to greater changes in earnings and business prospects than larger companies. Prices of securities of smaller companies can be more volatile, rising and falling in value more frequently than securities of larger companies.

The Sub-fund may invest in units or shares of other investment funds. Such other funds may themselves be subject to their own fees and expenses.

There is no capital guarantee or protection of the value of the Sub-fund. The value of your investment and the income from it can go down as well as up and you may not get back the amount you originally invested.

See "Risk Factors" in the UCITS' Prospectus for more information about risks.

* This section has not been audited.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Comparative tables (Unaudited)

as at 30 September 2021

A Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,765.47	1,917.85	2,145.79
Return before operating charges ⁽¹⁾	1,036.90	(123.00)	(170.41)
Operating charges	(28.86)	(21.79)	(20.70)
Return after operating charges	1,008.04	(144.79)	(191.11)
Distributions	(20.11)	(7.59)	(36.83)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	2,753.40	1,765.47	1,917.85
After direct transaction costs of ⁽¹⁾	(4.23)	(26.60)	(2.36)
Performance			
Return after charges	57.10%	(7.55%)	(8.91%)
Other information			
Closing net asset value (£'000)	3,961	3,376	32,514
Closing number of shares	143,862	191,242	1,695,320
Operating charges	1.20%	1.17%	1.08%
Direct transaction costs	0.17%	1.43%	0.12%
Prices			
Highest share price	2,917.00	2,277.00	2,165.00
Lowest share price	1,756.00	1,286.00	1,735.00

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

B Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,762.72	1,916.14	2,143.89
Return before operating charges ⁽¹⁾	1,034.17	(120.53)	(170.35)
Operating charges	(40.50)	(31.80)	(30.22)
Return after operating charges	993.67	(152.33)	(200.57)
Distributions	(8.03)	(1.09)	(27.18)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	2,748.36	1,762.72	1,916.14
After direct transaction costs of ⁽¹⁾	(4.21)	(26.55)	(2.35)
Performance			
Return after charges	56.37%	(7.95%)	(9.36%)
Other information			
Closing net asset value (£'000)	3,707	2,149	2,793
Closing number of shares	134,891	121,908	145,784
Operating charges	1.69%	1.71%	1.58%
Direct transaction costs	0.17%	1.43%	0.12%
Prices			
Highest share price	2,902.00	2,270.00	2,163.00
Lowest share price	1,753.00	1,281.00	1,732.00

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Comparative tables (Unaudited) continued

as at 30 September 2021

C Income

	30.09.21 (pence per share)	30.09.20 (pence per share)	30.09.19 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,764.63	1,917.84	2,145.76
Return before operating charges ⁽¹⁾	1,037.35	(122.92)	(170.37)
Operating charges	(22.62)	(17.89)	(15.92)
Return after operating charges	1,014.73	(140.81)	(186.29)
Distributions	(26.19)	(12.40)	(41.63)
Retained distributions on accumulation	—	—	—
Closing net asset value per share	2,753.17	1,764.63	1,917.84
After direct transaction costs of ⁽¹⁾	(4.23)	(26.61)	(2.36)
Performance			
Return after charges	57.50%	(7.34%)	(8.68%)
Other information			
Closing net asset value (£'000)	5,842	3,579	4,550
Closing number of shares	212,182	202,825	237,227
Operating charges	0.94%	0.96%	0.83%
Direct transaction costs	0.17%	1.43%	0.12%
Prices			
Highest share price	2,920.00	2,279.00	2,165.00
Lowest share price	1,755.00	1,287.00	1,736.00

⁽¹⁾ Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread which will also have reduced the Sub-fund and share class returns before operating charges.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Distribution tables

for the year ended 30 September 2021

Dividend distribution in pence per share.

Final Distribution

	Net revenue	Equalisation	Distribution payable 30.11.21	Distribution paid 30.11.20
A Income				
Group 1	18.1069	—	18.1069	1.4941
Group 2	12.8395	5.2674	18.1069	1.4941
B Income				
Group 1	8.0253	—	8.0253	—
Group 2	2.4912	5.5341	8.0253	—
C Income				
Group 1	21.4975	—	21.4975	3.6906
Group 2	9.4069	12.0906	21.4975	3.6906

Interim Distribution

	Net revenue	Equalisation	Distribution paid 31.05.21	Distribution paid 31.05.20
A Income				
Group 1	2.0005	—	2.0005	6.0987
Group 2	2.0005	—	2.0005	6.0987
B Income+				
Group 1	—	—	—	1.0908
Group 2	—	—	—	1.0908
C Income				
Group 1	4.6875	—	4.6875	8.7063
Group 2	1.8947	2.7928	4.6875	8.7063

+ Due to expenses exceeding revenue on this class there was no distribution.

Group 1: shares purchased prior to the distribution period.

Group 2: shares purchased during the distribution period.

Equalisation is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable for income tax but must be deducted from the cost of shares for capital gains tax purposes.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Notes to the Financial Statements

as at 30 September 2021

1 Accounting policies

The accounting policies for the Sub-fund are the same as those disclosed in the notes to the Financial Statements of all Sub-funds on pages 6 to 11.

2 Net capital gains

	30.09.21 £'000	30.09.20 £'000
The net capital gains during the year comprise:		
Non-derivative securities	4,702	233
Currency losses	(1)	—
Custodian transaction fees	(3)	(4)
Net capital gains	4,698	229

3 Revenue

	30.09.21 £'000	30.09.20 £'000
Bank interest	—	2
Non-taxable overseas dividends	60	52
Stock dividends	—	1
UK dividends	180	269
UK REIT dividends	3	32
Taxable non-US overseas REIT dividends	—	9
Total revenue	243	365

4 Expenses

	30.09.21 £'000	30.09.20 £'000
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	116	209
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	3	6
Safe custody fees	1	3
Other expenses:		
Audit fee	12	11
Legal and other professional fees	1	10
Registration fees	3	3
Total expenses	136	242

5 Taxation

	30.09.21 £'000	30.09.20 £'000
a) Analysis of charge for the year		
<i>Current tax</i>		
Overseas tax	14	7
Total current tax (note 5b)	14	7
Deferred tax (note 5c)	—	—
Total taxation	14	7

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

5 Taxation continued

b) Factors affecting taxation charge for the year

Net revenue before taxation	107	123
Net revenue before taxation at the applicable rate of corporation tax in the UK of 20% (2020: 20%)	21	25
Effects of:		
Movement in unrecognised tax losses	37	40
Overseas tax	14	7
Prior year adjustment	(10)	—
Revenue not subject to tax	(48)	(65)
Total current tax (note 5a)	14	7

c) Provision for Deferred tax

There is no Deferred tax provision in the current or preceding year. At the year end there is a potential Deferred tax asset of £3,167,000 (2020: £3,130,000) due to tax losses of £15,836,000 (2020: £15,650,000). It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no Deferred tax asset has been recognised (2020: nil).

6 Interest payable and similar charges

	30.09.21	30.09.20
	£'000	£'000
Interest	—	—
Total interest payable and similar charges	—	—

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares and comprise:

	30.09.21	30.09.20
	£'000	£'000
Interim	12	56
Final	82	10
	94	66
Add: Revenue deducted on cancellation of shares	6	55
Less: Revenue received on issue of shares	(7)	(1)
Net distributions for the year	93	120

The difference between the revenue after taxation and the distributions for the year are as follows:

	30.09.21	30.09.20
	£'000	£'000
Net revenue after taxation	93	116
Add: Share class in shortfall	—	4
Net distributions for the year	93	120

Details of the distributions per share are set out in the tables on page 168.

8 Debtors

	30.09.21	30.09.20
	£'000	£'000
Accrued revenue	19	33
Amounts receivable for FX contracts	4	1
Amounts receivable for issue of shares	7	—
Overseas tax recoverable	10	9
Sales awaiting settlement	30	48
Total debtors	70	91

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

9 Other creditors

	30.09.21 £'000	30.09.20 £'000
Accrued expenses	28	27
Amounts payable for cancellation of shares	110	—
Amounts payable for FX contracts	4	1
Purchases awaiting settlement	12	91
Total other creditors	154	119

10 Contingent assets/(liabilities) and outstanding commitments

There were no contingent assets/(liabilities) or outstanding commitments at the balance sheet date (2020: £nil).

11 Related party disclosures

Details of the related party disclosures are included within note 4 of the notes to the Financial Statements of all Sub-funds on page 11.

12 Financial instruments

Details of the financial instruments risk disclosures are set out in note 2 of the notes to the Financial Statements of all Sub-funds on pages 7 to 9.

a) Currency exposure profile

30.09.21 Currency	Net currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
United States Dollar	5	(2)	3
	5	(2)	3

30.09.20 Currency	Net currency assets		
	Monetary exposures £'000	Non-monetary exposures £'000	Total £'000
United States Dollar	—	2	2
	—	2	2

b) Interest rate risk profile

The Sub-fund's only interest bearing financial instruments at the balance sheet date are represented by its cash balances and overdraft facility, which earn or bear interest in commercial terms.

c) Valuation of financial investments*

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets £'000	Liabilities £'000
30.09.21		
Level 1: Quoted prices	13,265	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	13,265	—
30.09.20		
Level 1: Quoted prices	9,072	—
Level 2: Observable market data	—	—
Level 3: Unobservable data	—	—
	9,072	—

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

* Please refer to pages 6 to 7 for details of the policy of applying the Fair Value Pricing Factor.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

12 Financial instruments continued

d) Credit risk

The Sub-fund did not enter into any derivative contracts during the year and therefore has no counterparty exposure.

e) Sensitivity analysis

Please refer to the disclosure in the notes to the Financial Statements of all Sub-funds on page 10.

13 Portfolio transaction costs

For the year 1 October 2020 to 30 September 2021

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	4,860	2	0.04	15	0.31
Total	4,860	2		15	
Total purchases including commission and taxes	4,877				
Sales (excluding derivatives)					
Equity transactions (direct)	5,352	3	0.06	—	—
Total	5,352	3		—	
Total sales net of transaction costs	5,349				
Total transaction costs		5		15	
Total transaction costs as a % of average net assets		0.04%		0.13%	

For the year 1 October 2019 to 30 September 2020

	Value £'000	Commissions £'000	%	Taxes £'000	%
Purchases (excluding derivatives)					
Equity transactions (direct)	5,115	2	0.04	19	0.37
Total	5,115	2		19	
Total purchases including commissions and taxes	5,136				
Sales (excluding derivatives)					
Equity transactions (direct)	35,545	273	0.77	1	—
Total	35,545	273		1	
Total sales net of transaction costs	35,271				
Total transaction costs		275		20	
Total transaction costs as a % of average net assets		1.33%		0.10%	

The above analysis covers any direct transaction costs suffered by the Sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions & taxes etc.) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

Dealing spread costs suffered by the Sub-fund vary considerably depending on a number of factors including transaction value and market sentiment. At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.74% (2020: 1.22%).

The dealing spreads disclosed above are as at the 30 September, which is a reflection of the dealing spread of the portfolio at a point in time. Dealing spreads throughout the year will vary depending on the make-up of the portfolio.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Lazard UK Smaller Companies Fund continued

Notes to the Financial Statements continued

as at 30 September 2021

14 Share movement

For the year 1 October 2020 to 30 September 2021

	A Income shares	B Income shares	C Income shares
Opening shares	191,242	121,908	202,825
Shares issued	6	26,884	58,112
Shares redeemed	(47,386)	(13,901)	(48,755)
Shares converted	—	—	—
Closing shares	143,862	134,891	212,182

15 Post Balance Sheet Events

As indicated in the Accounting Policies in the Notes applicable to the financial statements of all the Sub-funds, the investments have been valued at the bid or last traded price, as at close of business on 30 September 2021, being the last business day of the accounting year. Since that date, the quoted prices have changed as detailed in the following table, which shows the quoted prices at close of business on 30 September 2021 and at close of business on 21 January 2022.

This is deemed to be a non-adjusting post balance sheet event.

	30.09.21 (pence per share)	21.01.22 (pence per share)	%
A Income	2,778.00	2,612.02	(5.97%)
B Income	2,763.00	2,603.26	(5.78%)
C Income	2,781.00	2,613.79	(6.01%)

The following table summarises the total NAV movement since the balance sheet date:

	30.09.21 £'000	21.01.22 £'000	%
A Income	3,961	3,655	(7.73%)
B Income	3,707	3,480	(6.12%)
C Income	5,842	4,942	(15.41%)

C Income share class had redemptions of greater than 10% between balance sheet date and 21 January 2022 (10.89%). Other share classes of the Sub-fund have not seen significant activity during the same period.

Statement of the Authorised Corporate Director's Responsibilities

The Financial Conduct Authority Collective Investment Schemes Sourcebook (COLL) requires the ACD to prepare financial statements for each accounting year which give a true and fair view of the financial affairs of the Company and of its net revenue and net capital gains/losses on the property for the year.

In preparing those financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Financial Statements of UK Authorised Funds issued by the Investment Management Association (now known as the Investment Association) in May 2014 (the "SORP"), amended in June 2017;
- comply with the Prospectus, generally accepted accounting principles and applicable accounting standards subject to any material departures which are required to be disclosed and explained in the financial statements;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The ACD is responsible for the management of the Company in accordance with the OEIC regulations, the Instrument of Incorporation and the Prospectus.

The ACD is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Lazard Fund Managers Limited ("the Company") for the Period Ended 30 September 2021

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Report of the Depositary to the Shareholders of Lazard Investment Funds for the year ended 30 September 2021

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

For and on behalf of
The Bank of New York Mellon (International) Limited
London

27 January 2022

Independent auditors' report to the Shareholders of Lazard Investment Funds

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Lazard Investment Funds (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 September 2021 and of the net revenue/expense and the net capital gains on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Lazard Investment Funds is an Open Ended Investment Company ('OEIC') with ten sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Financial Statements (the "Annual Report"), which comprise: the Balance sheets as at 30 September 2021; the Statements of total return and the Statements of change in net assets attributable to Shareholders for the year then ended; the Distribution tables; the Notes to the Financial Statements of all sub-funds; and the Notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or any sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Independent auditors' report to the Shareholders of Lazard Investment Funds continued

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company or the sub-funds. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Lazard Investment Funds - Annual Report and Financial Statements September 2021

Independent auditors' report to the Shareholders of Lazard Investment Funds continued

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

27 January 2022

Management & Professional Services

Authorised Corporate Director (ACD)	<p>Lazard Fund Managers Limited 50 Stratton Street London W1J 8LL Telephone 020 7588 2721 Dealing 0370 606 6408 contactuk@lazard.com www.lazardassetmanagement.com</p> <p>(Authorised and regulated by the Financial Conduct Authority) (Member of The IA)</p>
Investment Adviser	<p>Lazard Asset Management Limited 50 Stratton Street London W1J 8LL www.lazardassetmanagement.com</p> <p>(Authorised and regulated by the Financial Conduct Authority) (Member of The IA)</p>
Depository	<p>The Bank of New York Mellon (International) Limited One Canada Square London E14 5AL</p> <p>(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)</p>
Independent Auditors	<p>PricewaterhouseCoopers LLP Atria One, 144 Morrison Street Edinburgh EH3 8EX</p>
Registrar	<p>The Bank of New York Mellon (International) Limited Capital House, 2 Festival Square Edinburgh EH3 9SU</p> <p>(Authorised and regulated by the Financial Conduct Authority)</p>
Prospectus	<p>Copies of the latest Prospectus are available free of charge from the ACD at the above address or you can e-mail contactuk@lazard.com.</p>
Key Investor Information Documents (KIIDs)	<p>Copies of Key Investor Information Documents are available on the website www.lazardassetmanagement.com.</p>