LAZARD
FRÈRES GESTION

Key Investor Information:
this document contains key information for investors in the Sub-fund. It is not a promotional document. The information contained herein is provided to you in accordance with a legal obligation in order to help you understand the implications of investing in this Sub-fund and the related risks. You are advised to familiarise yourself with this document in order to make a fully-informed investment decision.

LAZARD CREDIT OPPORTUNITIES

Sub-fund of the LAZARD FUNDS SICAV

This Sub-fund of UCITS is managed by LAZARD FRERES GESTION SAS

FR0010235507 - PC EUR

Objective and Investment Policy

Classification of the Sub-fund: International bonds and other debt securities

Investment objective: The investment objective is to outperform the benchmark index, the capitalised €STR +1,75%, expressed in euros, net of charges, over the recommended investment period of three years.

Investment policy: The strategy used to achieve this objective involves dynamic management of interest rate risk, credit risk and currency risk by investing primarily in risky debt issued by governments, companies, and financial institutions and structures.

The Fund's modified duration will be managed dynamically within a range of -5 and +10.

The Fund is invested as follows:
- Up to a maximum of 100% of the net assets in bonds and negotiable debt securities denominated in euros and/or any other currency, without any restriction in terms of credit quality.
- Up to a maximum of 60% of the net assets in bonds and negotiable debt securities denominated in currencies other than the euro and the US dollar. Up to a maximum of 10% of the net assets in UCITS and French or foreign AIF that comply with the four criteria set out in Article R.214-13 of the French monetary and financial code (Code monétaire et financier) and classified as money market, short-term money market or bond funds. These UCIs may be managed by the management company.
- Up to a maximum of 5% of the net assets in ordinary shares deriving from debt restructuring. The fund manager will do their best to sell the shares received as soon as possible in the interest of the shareholders.
- Up to a maximum of 10% of the net assets in convertible bonds.
- Up to a maximum of 50% of the net assets in perpetual subordinated debt, including a maximum of 30% of the net assets in contingent convertible bonds (CoCos).
- Up to a maximum of 5% of the net assets in preference shares.

The Sub-fund may use interest rate and currency futures, interest rate and currency options, interest rate and currency swaps, currency forward transactions and credit derivatives traded on regulated, organised and/or OTC markets for hedging and/or exposure purposes, thereby taking the Sub-fund's exposure beyond 100% of the net assets.

The portfolio is exposed to interest rate, foreign exchange, credit and volatility risk, at a fixed threshold calculated based on the absolute VaR. The VaR level must remain lower than 15% and leverage must not exceed 400% gross.

The Sub-fund may invest a maximum of 100% of the net assets in securities with embedded derivatives.

Allocation of distributable income:
Allocation of net income: Accumulation
Allocation of net realised capital gains: Accumulation
Other information : Environmental, social and governance (ESG) criteria are integrated into management through an internal analysis and rating model that directly influences management without being a determining factor in decision-making

Recommended investment period: This Sub-fund may not be suitable for investors planning to withdraw their contributions within 3 years.

Redemption option: Orders are executed as indicated in the table below

Business d	Day on which NAV is set (d)	Business d+1	Business d+2
Daily order reception and daily centralisation of redemption orders before 12:00 a.m. (Paris time)	Order executed by the latest on d	Publication of the net asset value	Settlement of redemptions

Risk and reward profile

Lower risk, Potentially lower return — Higher risk, Potentially higher return

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

Explanation of the indicator and its main limitations:
The diversified exposure to interest rate and foreign exchange risk explains the UCI's classification in this category.
The historical data used may not provide a reliable indication of the Sub-fund's future risk profile.
We can give no assurance that the category displayed will not change, and the classification may change over time.
The lowest category does not imply a risk-free investment. There is no capital guarantee.

Other material risk factors not incorporated into the indicator:
- Credit Risk: represents the potential risk that an issuer defaults or its creditworthiness declines, which would lead to a fall in the price of its securities and, hence, a decrease in the Fund's net asset value.
- Risks associated with derivatives: Use of complex products such as derivatives may increase losses.

The materialisation of one of these risks may result in a decline in the net asset value of the Sub-fund. The other risks are stipulated in the prospectus.

Lazard Credit Opportunities

Charges

The charges and fees paid are used to cover the Sub-fund's operating expenses, including the costs of marketing and distributing its shares. These charges reduce the investments' potential growth.

Incidental costs collected before or after investment	
Front-end load	0%
Back-end load	0%

The percentage indicated is the maximum percentage that may be applied to your capital before it is invested or before the proceeds of your investment are distributed. Investors may pay less in some cases. Investors may contact their advisor or distributor to find out the effective front-end and back-end load rates.

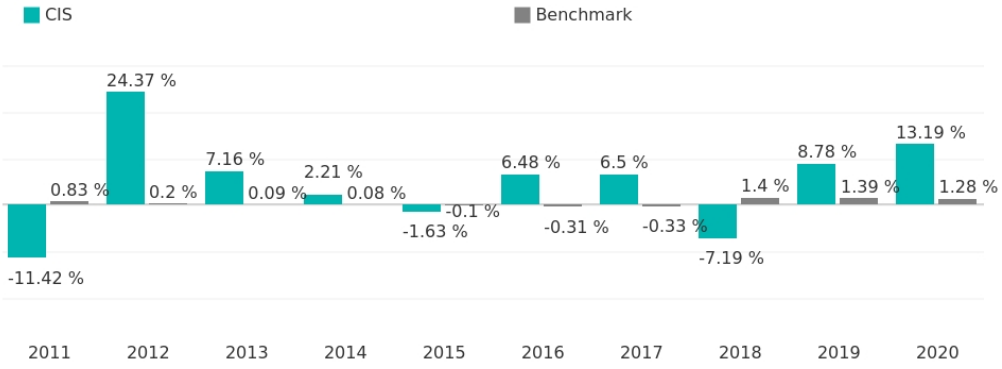
Charges collected by the Sub-fund over a year	
Ongoing charges	1.2%*
Charges collected by the Sub-fund under certain circumstances	
Performance fee	None

* The figure communicated is based on the fees charged for the previous financial year ended 30/09/2020. It may vary from one year to the next. The description includes direct and indirect costs.

For more information on fees, please refer to the charges and fees section of the prospectus for this Sub-fund, available online at www.lazardfreresgestion.fr.

Ongoing charges do not include: performance fees and brokerage fees, except in the case of upfront or exit costs paid by the Sub-fund when buying or selling units or shares in other collective investment vehicles.

Past performance



Past performance is not a reliable indication of future performance and is not constant.

Performance is calculated less the charges collected by the Sub-fund.

Launch date of the Sub-fund: 03/02/2020

Base currency: EUR

Benchmark indicator: €STR Capitalisé + 1,75%

The benchmark is expressed in euros.

Practical information

Name of the custodian: CACEIS BANK.

Where and how to find out the net asset value: the net asset value is published daily in the offices of LAZARD FRERES GESTION SAS and on the internet www.lazardfreresgestion.fr.

Where and how to obtain information on the Sub-fund: A full copy of the prospectus and the most recent annual and periodic statements may be obtained within eight business days by sending a request in writing to LAZARD FRERES GESTION SAS, 25, rue de Courcelles 75008 Paris France.

Taxation: depending on your tax status, you may be subject to tax on any capital gains and income derived from the ownership of units or shares. Investors are advised to discuss this with their advisor or distributor.

LAZARD FRERES GESTION SAS shall only be held liable for statements made herein that may be misleading, inaccurate or inconsistent with the corresponding sections of the Sub-fund's prospectus.

The Sub-fund proposes other categories of shares, which are defined in the prospectus.

This Sub-fund is accredited by the French State and regulated by the Autorité des Marchés Financiers. LAZARD FRERES GESTION SAS is accredited by the French State and regulated by the Autorité des Marchés Financiers.

This Key Investor Information Document is accurate and up-to-date as at **21/04/2021**.

The remuneration policy is available on the LAZARD FRERES GESTION SAS website www.lazardfreresgestion.fr. A paper copy may be requested free of charge. Requests for additional information must be made to LAZARD FRERES GESTION SAS's UCI's legal department.