LAZARD
FRÈRES GESTION

Key Investor Information:
this document contains key information for investors in the UCI. 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 UCI and the related risks. You are advised to familiarise yourself with this document in order to make a fully-informed investment decision.

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This UCITS is managed by LAZARD FRERES GESTION SAS

FR0013305935 - TC EUR

Objective and Investment Policy

Classification of the UCI: International bonds and other debt securities

Investment objective: The investment objective is to achieve, by applying a Socially Responsible Investment (SRI) management approach, over the recommended investment horizon of 3 years, a return (net of charges) above the following benchmark: ICE BofAML Euro Financial Index. The benchmark is expressed in EUR. Nets dividends or coupons are reinvested.

Investment policy: To achieve this investment objective, the Fund will be actively managed, mainly invested in subordinated debt (which is of higher risk than senior or secured debt) or any securities not deemed to be ordinary shares and issued by financial institutions. The Fund is managed by combining a top-down approach (which first looks at general economic and market trends before deciding in which geographical areas and securities to invest) and a bottom-up approach (which first looks at issuers' creditworthiness and the quality of individual securities), thus incorporating the regulatory conditions applying to this asset class. The Fund's modified duration is between 0 and 8. The Fund is invested only in bonds or securities of issuers the registered offices of which are established in OECD-member countries and/or in securities listed on a financial market of one of these countries. The Fund is invested only in bonds that are traded in euros, US dollars, pounds sterling or in any OECD currencies other than Euro. To build his portfolio, the manager conducts his own assessment of bonds or securities not deemed to be ordinary shares. He also refers to agency ratings but does not rely on them solely and mechanically.

The Fund's portfolio comprises:
- up to a maximum of 100% of the net assets in bonds or securities not deemed to be ordinary shares, issued by Investment Grade or equivalent issuers (as rated by the rating agencies) or an equivalent rating based on the management company's analysis, and up to a maximum of 20% of the net assets in bonds or securities issued by speculative/High Yield issuers (as rated by the rating agencies) or an equivalent rating based on the management company's analysis, or not rated by a rating agency. Speculative/High Yield bonds or securities may not exceed a maximum of 70% of the Fund's net assets,
- up to a maximum of 100% of the net assets in bonds or securities not deemed to be ordinary shares, traded in US dollars, pounds sterling or in any OECD currencies other than Euro. Exchange rate risk will be hedged so that exposure thereto shall not exceed a maximum of 10% of the Fund's net assets,
- up to a maximum of 10% of its net assets in ordinary shares arising from the exchange or conversion of debt,
- up to a maximum of 10% of the net assets in money market UCITS, short-term money market funds or French or European bond funds provided that less than 10% of these funds' assets are invested in other UCIs. These UCIs may be managed by Lazard Frères Gestion.
Total exposure to equity risk may not exceed 10% of the Fund's assets.

As part of SRI management, the bond analyst-managers analyse portfolio companies using extra-financial criteria. This review is carried out by taking Environmental, Social and Governance factors into account using a proprietary model shared by the equity and bond teams. The sector analyst-managers thus establish an internal ESG rating of between 1 and 5 (5 being the best rating) for each company based on both a qualitative and quantitative approach.

On the basis of these internal ESG analysis grids, we have developed a fixed income process that:
- Limits to 30% of the portfolio the share of issuers with a rating of less than or equal to 3
- Excludes issuers with a rating of less than or equal to 2

The extra-financial analysis covers at least 90% of the fund's investments.

SRI selection process: The analyst-manager ensures that an ESG rating is sustainably maintained, above the average of the 80% best ratings in the financial universe of our extra-financial rating partner (universe composed of securities from the Diversified Banks, General Financial Services, Insurance, Retail and Specialised Banks sectors in the "EUR" zone, as well as companies falling into the "Greece" country category of our extra-financial rating partner). He uses an external ESG rating of 0 to 100 corresponding to a weighted average of the absolute E, S and G ratings provided by this partner.

The manager may invest in the following securities with embedded derivatives up to a maximum of 100% of the net assets: structured products, subordinated debt, callable and puttable bonds, convertible bonds and contingent convertible bonds (a maximum of 30% of the net assets for the latter).

The Fund may invest up to a maximum of the amount of the net assets in interest-rate and currency futures, interest-rate and currency options, interest-rate and currency swaps, credit derivatives (with CDS limited to a maximum of 40% of the net assets) and forward foreign-exchange contracts traded on regulated, over-the-counter or organised markets to hedge against or expose the portfolio to interest rate and exchange rate risk. Up to a maximum of 10%, the fund may use equity futures and options.

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

Recommended investment period: This UCI 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 UCI'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 for Cocos: potential risk of a downgrade to the credit rating of an issuer or of a default of that issuer that would cause the share price to fall. Investment in CoCos entails specific risks. Depending on the trigger event, there may be a significant risk of loss for the fund. For instance, when the issuing company's capital ratio falls below a certain threshold, the CoCos may be converted into equities of the issuing company whose value may have fallen. In this way, contingent convertible bonds are subject to specific risks of non-payment of coupons and capital loss in certain circumstances.
- 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 UCI. The other risks are stipulated in the prospectus.

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Charges

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

Incidental costs collected before or after investment	
Front-end load	4.00%
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.

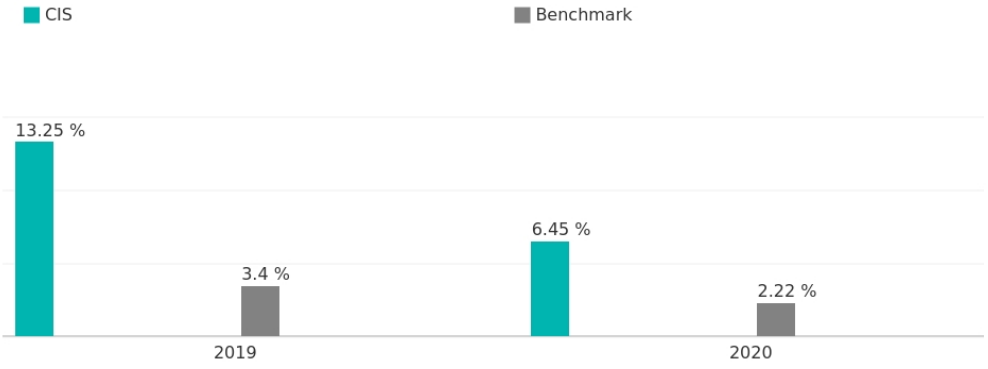
Charges collected by the UCI over a year	
Ongoing charges	0.68%*
Charges collected by the UCI under certain circumstances	
Performance fee	None

* The figure communicated is based on the fees charged for the previous financial year ended 31/03/2020. 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 UCI, 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 UCI when buying or selling units or shares in other collective investment vehicles.

Past performance



Until 31/03/2019 : Eonia capitalisé + 2,30%
Since the 01/04/2019 : cf. Current Benchmark

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

Performance is calculated less the charges collected by the UCI.

Launch date of the UCI: 07/03/2008

Base currency: EUR

Benchmark indicator:
ICE BofAML Euro Financial Index
The benchmark is expressed in EUR. Nets dividends or coupons are reinvested.

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 UCI: 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 UCI's prospectus.

This UCI 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 **09/02/2021**.

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.