LAZARD
FRÈRES GESTION

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

LAZARD SUSTAINABLE CREDIT 2025

FCP

This UCITS is managed by LAZARD FRERES GESTION SAS

FR0013444932 - RD H-EUR

Objective and Investment Policy

Classification of the CIS: International bonds and other debt securities

Investment objective: Obtain an annualised performance net of management fees, hedging and estimated default calculated by the management company, equal to 1,60% at June 30th, 2025, by investing mainly in bonds with no financial rating restriction whose issuers are companies and Financial institutions, traded in euros and/or US dollars and/or pounds sterling, while taking into account environmental, social and governance criteria.
The management company would like to point out that there is a risk that the issuer's actual Financial position may turn out to be weaker than predicted; and that such unfavourable conditions (e.g., higher number of defaults, lower recovery rate) will have a negative impact on the Fund's performance. As a result, it may not be possible to achieve the investment objective.
The Fund seeks to take advantage of attractive actuarial yields on corporate bonds.
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.

Investment policy: The Fund's investment strategy will mainly entail a carry strategy (purchase of securities to hold them in the portfolio until maturity). Nevertheless, the manager has leeway to actively manage the portfolio by selling and buying securities. The fund's turnover rate will therefore be low. Taking ESG criteria into account impacts the overall structure of the portfolio by investing exclusively in bonds with an initiated, convincing or advanced ESG profile according to Vigeo Eiris. This approach excludes at least 20% of the Fund's investment universe. Vigeo's ESG assessment system is broken down into 38 criteria weighted from 0 to 3 depending on their relevance for the sector and divided into 6 areas: Governance (4 criteria: respect for minority shareholders, remuneration policy, etc.), Human Resources (7 criteria: quality of working conditions, valuation of jobs and skills, etc.), the Environment (11 criteria: consideration of pollution risk, energy consumption, etc.), Human Rights (4 criteria: respect and promotion of freedom of association and the right to collective bargaining, non-discrimination and promotion of diversity, etc.), Social Engagement (3 criteria: contribution to causes of general interest, etc.) and Customer/Supplier relations (9 criteria: compliance with the rules of competition, effective prevention of corruption, etc.). The issuer's overall ESG score is equal to the weighted average of the criteria scores. An issuer's ESG rating is based on an absolute rating scale of 0 to 100, with 100 being the highest rating. Each issuer is analysed independently using the criteria mentioned above before reaching an overall ESG score. Only issuers with an overall score of strictly more than 29 out of 100 are included in the investment universe, i.e. those with an initiated, convincing or advanced ESG profile according to Vigeo Eiris. The fund manager will be immediately informed by Vigeo whenever an issuer's rating is downgraded. If the issuer rating falls below 30 out of 100, the stock is removed from the portfolio within three months. The sensitivity range will be between 0 and 5,5. The investment strategy consists, based on this ESG investment universe, in applying a quantitative filter to isolate bonds that fit the Fund's investment strategy through the appropriate liquidity levels (sufficient amount in circulation), first end maturity date or early repayment date (before June 30th, 2025), and issuance currency. To build his portfolio, the portfolio manager conducts his own qualitative analysis of the bonds. He also refers to agency ratings but does not rely on them solely and mechanically.As the bonds in the portfolio reach maturity and are redeemed, the manager may reinvest in:
- bonds whose maturities (end maturity or the issuer or holder's repayment options) fall on or before June 30th, 2025.
- debt securities (maturing no later than June 30th, 2025) or money market instruments comprising up to 100% of the Fund's assets.
Up to 100% of the Fund's net assets may be invested in unrated or investment grade and speculative (high yield) securities based on the ratings of Standard & Poor's and/or Moody's or an equivalent rating based on the management company's analysis. The manager may also invest in additional Tier 1 contingent convertible bonds (CoCos) up to a maximum of 35% of the net assets.The securities will be denominated in euros, US dollars and pounds sterling and will be hedged against foreign exchange risk with a residual foreign exchange risk of a maximum of 5% of the Fund's net assets.The Fund may invest up to the amount of the net assets in forward financial instruments traded on French or foreign regulated, organised or over-the-counter markets. The manager may take positions in futures contracts or currency forward contracts solely with a view to hedging the portfolio against foreign exchange risk. A maximum of 10% of the Fund's net assets may be invested in all categories of UCI that meet the four criteria of Article R 214-13 of the French Monetary and Financial Code. This investment may solely concern UCIs that in turn invest less than 10% of their assets in other UCIs. All of these UCIs may be managed by the management company.
After June 30th, 2025, if market conditions permit and after approval by the AMF, the Fund's strategy will be renewed for a new carry period. If this is not the case, the Fund will be dissolved, merged with another UCI, or amended after approval by the AMF. The management company reserves the right, subject to approval by the AMF, to liquidate the Fund early when the expected performance over the remaining period is close to that of the money market over the period.
The subscription period for this unit will be closed after cut-off on 31/07/2020. From that date, only subscriptions preceded by a redemption received from the same unitholder on the same day for the same number of units at the same NAV may be executed. The management company may decide to extend the subscription period.

Allocation of distributable amounts:
Allocation of net income: distribution and/or retained
Allocation of net realised capital gains: accumulation, distribution and/or retained

Recommended investment period: This CIS may not be suitable for investors planning to withdraw their contributions before the end of its scheduled term, on 30/06/2025.

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

Valuation day (D)	Day on which NAV is set (d)	Business d +1	Valuation Day+2
Daily order reception and daily centralisation of redemption orders before 12h00 (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 exposure to interest rate and credit risk as a result of investing in investment grade and high yield bonds explains the Fund's classification in this category.
The historical data used may not provide a reliable indication of the CIS' 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 CIS. The other risks are stipulated in the prospectus.

Charges

The charges and fees paid are used to cover the Fund'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	1%
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 CIS over a year	
Ongoing charges	1.23%*
Charges collected under certain circumstances	
Performance fee	None

* The figure communicated, which incorporates management fees and operating expenses, as well as the turnover commission charged, is based on an estimate of the costs for the first financial year. 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 CIS, 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 CIS when buying or selling units or shares in other collective investment vehicles.

Past performance

Only performance data for full calendar years are displayed.

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

Performance is calculated less the charges collected by the CIS.

Fund creation date: 10/12/2019

Currency: EUR

Benchmark indicator:
None

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 Frères Gestion and on the internet.

Where and how to obtain information on the CIS: 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 CIS prospectus.

This 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 **27/12/2019**.

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 CIS legal department.