

International bonds and debt securities	Share classes	ISIN code*	NAV €	Net assets (€ million)	Total net assets (€ million)
	PVC EUR unit	FR0010952788	1 676,76	265,93	457,34
	PVD EUR unit	FR0013043841	93 208,90	47,23	
	RVD EUR unit	FR0010952796	113,24	13,09	
	TVD EUR Unit	FR0013305968	85,49	0,00	
	RVC EUR Unit	FR0013306727	94,65	23,51	
	SC EUR Unit	FR0013311446	9 870,39	81,06	
	SD EUR Unit	FR0013476058	8 542,40	0,00	
		ISIN code	NAV \$	Net assets (\$ million)	
	PVC H-USD Unit	FR0013072733	1 238,67	3,19	
	PC H-USD Unit	FR0013476041	843,87	0,00	
		ISIN code	NAV CHF	Net assets (CHF million)	
	PVC H-CHF Unit	FR0013236783	1 026,01	0,17	

** Not all share classes of the relevant sub-fund are registered for marketing in German and Austria*

MANAGEMENT

INVESTMENT POLICY

The fund’s investment objective is to outperform the Barclays Global Contingent Capital € Hedged index for units PVC EUR, PVD EUR, RVC EUR, RVD EUR, SC EUR and TVD EUR, Barclays Global Contingent Capital Hedged USD for unit PVC H-USD and Barclays Global Contingent Capital Hedged CHF for PVC H-CHF.

To attain this objective, the strategy will rely on an active management of the portfolio mainly invested in subordinated securities (this type of debt is more risky than Senior Unsecured or Securitized debts), or any securities, not considered as common stocks, issued by European financial institutions. The investment process combine both a Top-down approach (strategic and geographical allocation approach which takes into consideration the macro and sectorial environments) and a Bottom-up approach (stock-picking based on fundamental analysis of the issuer and its securities) and then integrating the regulatory environment in which this asset class evolves. The modified duration will be managed in a 0 to 8 range. The fund only invests in bonds or securities issued by companies having their head office in an OECD member country and/or in issues or securities listed in a stock market of one of these countries.The FCP invests only in obligations negotiated in Euro, USD or Sterling.

FUND MANAGER'S COMMENT - François Lavier - Alexis Lautrette

The net asset value of Lazard Capital Fi rose by +6,3% over the month (PVC share) versus +8,2% for the Barclays Global Contingent Capital € Hedged Index.

AT1s in OAS tightened by -88 bps to 558 bps according to Bloomberg Barclays Global Index.

The German government bond yield curve steepened during the month, with the 10-year yield down -11 bps to -0,6%, the 5-year yielddown -11 bps to -0,8%, while the 2-year yield down -8 bps to -0,8%.

For 2020, Lazard Capital Fi posted a net performance of -11,9% vs -8,5% for the Barclays Global Contingent Capital € Hedged Index.

Lazard Capital Fi has a 260-day volatility of 15,7% vs 15,7% for the Barclays Global Contingent Capital € Hedged Index.

After the terrible month of March, several factors led to a nice bounce on credit during April. First of all, the massive outflows in bond funds have been reversed with significant inflows for several weeks, particularly on IG. Then the good news in terms of health was accompanied by new support measures on the central bank side (new liquidity measures for the ECB and willingness to do "what it takes", programs to purchase Credit Corporates by the Fed and the BoJ) and also new regulatory reductions for banks (leverage ratio, provisioning of doubtful persons benefiting from State guarantees or moratoria linked to the Covid-19 epidemic, etc.).

The first publications of results for the banks were not as bad as expected: the cost of risk increased without surprise, particularly on exposures linked to the oil sector. Overall, European banks have passed large generic provisions that represent more than 50% of the stock of new provisions for the 1st quarter, stock based on estimates as uncertainty remains high. Almost all banks are making profits, although dropping sharply YoY. Capital ratios are down slightly but remain at high levels. We note the good surprise for Deutsche Bank, which published better than expected net profit thanks to the good performance of its market activities and good cost control, despite the increase in the estimated cost of risk.

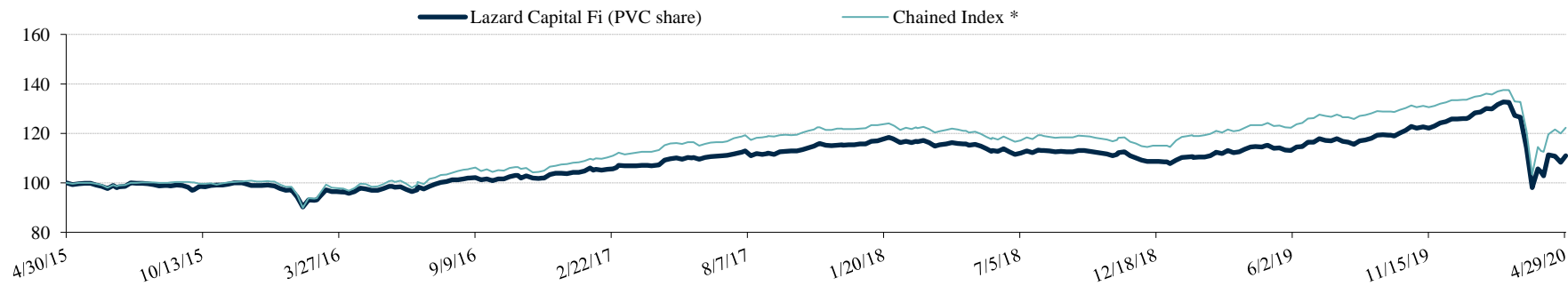
Tensions remain on peripheral debt, particularly in Italy, with on the one hand the good surprise at S&P and the unchanged BBB rating with negative outlook, offset by the surprise downgrade by Fitch to BBB-, stable outlook, outside the official calendar. However, the ECB’s PEPP remained very active and managed to limit the widening of the Italian spread. Primary market has timidly resumed, mainly on the senior part for banks (Svenska, Crédit Agricole, BNP, UBS) but also on the Tier 2 in £ for UK insurers (Legal & General, Phoenix, Pension Insurance).

In Capital Fi, the most important contributors to the performance have been AT1/RT1 for +4,90%, Legacy and Tier 2 both contributed for +0,30%. By country, the most important contributions came from the UK (+1,2%), Spain (+1,1%) and Germany (+0,7%). By issuer, Deutsche Bank, Barclayd and Santander are the three main positive contributions.

The primary market, excluding covered bonds, totaled 26 bn€ in gross issuance according to Barclays, with net bank issuance totaling +11 bn€ over the months. Since the beginning of the year, gross issuance has represented 86 bn€ and net issuance +56 bn€.

PERFORMANCE

HISTORICAL PERFORMANCE



** Barclays Global Contingent Capital € hedged since 31/12/2015, before JPMorgan Susi Tier 1.
Past performance indications is not a guarantee of current or future performance. The return may increase or decrease as a result of currency fluctuations
The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future*

PERFORMANCE

Annual performance*	2019	2018	2017	2016	2015
Lazard Capital Fi PVC	16,23%	-6,26%	11,48%	4,77%	4,70%
Chained Index	16,18%	-5,83%	13,41%	7,00%	4,50%

Cumulative performance*	Month	YTD	1 year	3 years	5 years
Lazard Capital Fi PVC	6,29%	-11,92%	-3,48%	1,75%	11,02%
Chained Index	8,18%	-8,54%	-1,38%	6,01%	22,19%

** The performance quoted represents past performance. Past performance does not guarantee future results.
The performance less than one year is given for illustrative purposes.*

Modified duration	4,0	Spread duration	4,3
-------------------	-----	-----------------	-----

Yield to maturity (Without hedging costs)	6,1%
--	------

Yield to call (Without hedging costs)	9,0%
--	------

Yield to Worst	6,0%
----------------	------

Average rating (issuer) ¹	BBB+
--------------------------------------	------

Average rating (issues) ¹	BB
--------------------------------------	----

¹ Average rating for each security

Yield to call (With hedging costs)	8,7%
---------------------------------------	------

Spread vs Govt.	936
-----------------	-----

Estimates on yields in different currencies, spreads or sensitivities are based on the best judgment from Lazard Freres Gestion for all the securities included into the portfolio at the mentioned date. LFG does not provide any guarantee on its accuracy or on the methodology used.

SCALE RISK**



***Risk scale calculated from the volatility of the UCITS over a period of 5 years (see detail on the back).Risk 1 does not mean a risk-free investment. This indicator may change over time.*

RISK RATIOS

	1 year	3 years
Volatility		
Lazard Capital Fi PVC	23,13%	12,72%
Chained Index	23,00%	11,48%
Tracking error	4,67%	2,83%
Information ratio	-0,46	-0,48

Ratios calculated on a weekly basis over 1 year and a monthly basis over 3 years

Gross currency exposure:
55% EUR / 23% USD / 22% GBP

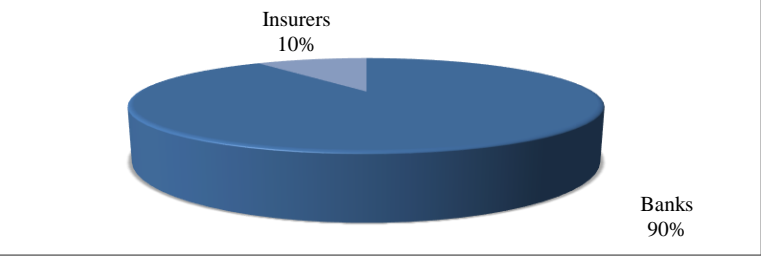
Net currency exposure:
100% EUR

MAIN HOLDINGS

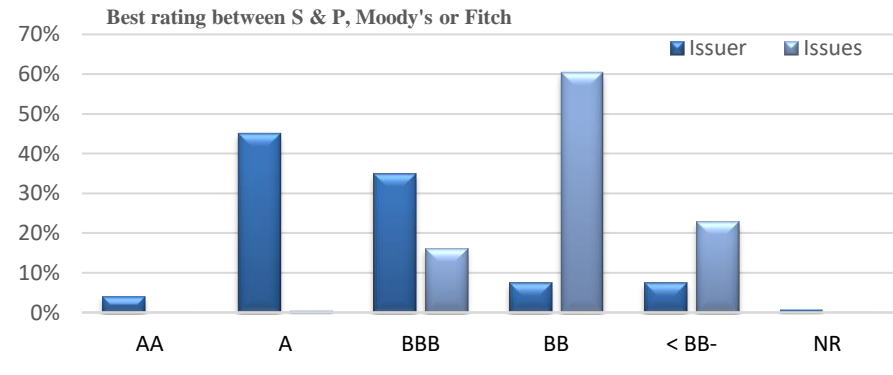
Main holdings

CaixaBank 5,25% Perp	Banques AT1	2,7%
Banco Santander 4,75% Perp	Banques AT1	2,5%
Danske Bank 6,125% Perp	Banques AT1	2,5%
Barclays PLC 5,875% Perp	Banques AT1	2,3%
Phoenix Group Holding 5,625%	Assurance RT1	2,2%

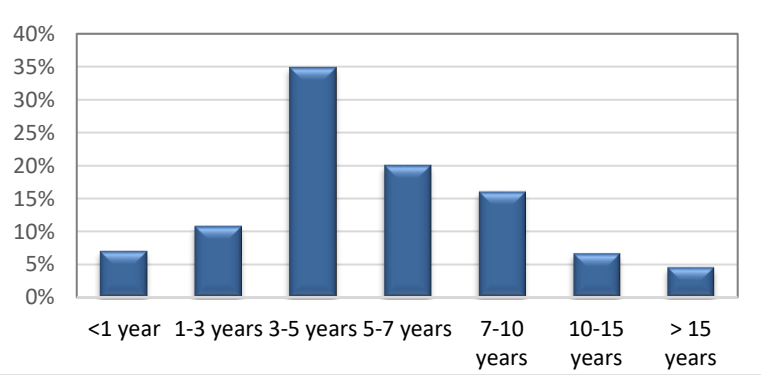
SECTOR ALLOCATION



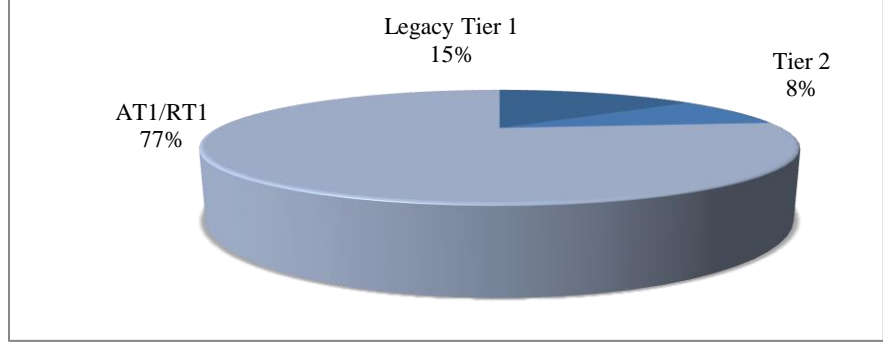
RATING ALLOCATION



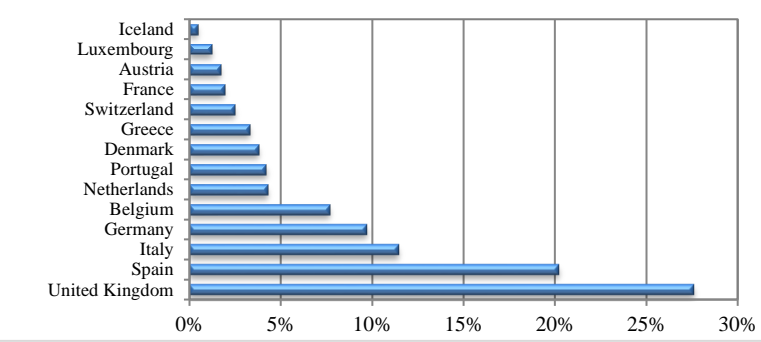
BREAKDOWN BY MATURITY (AT CALL)



BREAKDOWN BY LEVEL OF SUBORDINATION



GEOGRAPHICAL DISTRIBUTION



FUND DETAILS

■ ISIN Code	PVC EUR Unit	FR0010952788	■ Custodian	CACEIS Bank	■ Management fees	
	PVD EUR Unit	FR0013043841				
	RVD EUR Unit	FR0010952796	Lazard Frères Gestion SAS	PVC EUR : maximum of 1% inclusive of taxes		
	TVD EUR Unit	FR0013305968		PVD EUR : maximum of 1% inclusive of taxes		
	PVC H-USD Unit	FR0013072733	■ Fund Administration	TVD EUR : maximum of 1% inclusive of taxes		
	PC H-USD Unit	FR0013476041		RVD EUR : maximum of 1,75% inclusive of taxes		
	PVC H-CHF	FR0013236783		PC H-USD : maximum of 1,285% inclusive of taxes		
	SC EUR Unit	FR0013311446		PVC H-USD : maximum of 1% inclusive of taxes		
	SD EUR Unit	FR0013476058		SC EUR : maximum of 0,735% inclusive of taxes		
RVC EUR Unit	FR0013306727	SD EUR : maximum of 0,745% inclusive of taxes				
					RVC EUR : maximum of 1,75% inclusive of taxes	
■ Bloomberg Code	LAZOBCI/LAZOBCR FP					PVC H-CHF : maximum of 1% inclusive of taxes
■ Legal Form	FCP		■ Taxation	Capitalization	■ Subscription fees	Maximum of 4% inclusive of taxes
■ UCITS-Compliant	Yes					
■ AMF Classification	International bonds		■ Inception date	30/11/2010	■ Outperformance fees	15% of the outperformance in excess of each units' respective indexes.
■ Currency	Euro		■ Subscription terms			
■ Investment horizon	Minimum 5 years		Each business day by 12 am			
■ Valuation	Daily		Settlement and value date :			
■ Modified duration	0 to 8		Subscription: J (date of the NAV) + 2 business days			
■ Total expense ratio and transaction fees			Redemption: J + 2 business days			
For more information, please check our prospectus on www.lazardfreresgestion.fr						

** Risk scale : calculated from the historic volatility of the UCITS over a period of 5 years, If the fund is not 5 years old of history, the level of risk is calculated from the target volatility of the strategy. The management company saves itself the possibility of adjusting the level of risk calculated according to the specific risk of the fund. This risk scale supplied as a rough guide and may be modified without advance notice.

Contacts :
Subscription/Redemption
CACEIS Bank
+33 1.57.78.14.14

Additional and data
information :
Commercial service
01.44.13.01.79

Publication of NAVs :
www.lazardfreresgestion.fr

Please consider a fund's investment objectives, risks, charges, and expenses carefully before investing. Read the prospectus or summary prospectus carefully before you invest. The prospectus and summary prospectus contain investment objectives, risks, charges, expenses, and other information about the Portfolio(s) and The Lazard Frères Gestion Funds that may not be detailed in this document. Distributed by Lazard Fund Management.

"The prospectus for Switzerland, the KIID, the articles of incorporation, the annual and semi-annual reports, as well as the list of the buying and selling transactions can be obtained free of charge from the representative of the Fund in Switzerland, ACOLIN Fund Services AG, Affolternstrasse 56, 8050 Zürich, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland."

For investors in the United Kingdom: this document has been issued and approved in the United Kingdom by Lazard Asset Management Limited, 50 Stratton Street, London W1J 8LL. Incorporated in England and Wales, registered number 525667. Lazard Asset Management Limited is authorised and regulated by the Financial Conduct Authority. For Italian investors, fund Paying Agents are Société Générale Securities Services, Via Benigno Crespi, 19, 20159 Milano, and BNP Paribas Securities Services, Piazza Lina Bo Bardi, 3, 20124 Milano.

Lazard Frères Gestion SAS, 25 rue de courcelles - 75008 Paris with a capital of € 14,487,500
registered at the Paris RCS under the number SIRET 352 213 599.
Portfolio Management Company approved by "the Autorité des Marchés Financiers" under number GP 04 000068."
www.lazardfreresgestion.fr

United Kingdom, Finland, Ireland, Denmark, Norway and Sweden: The information is approved, on behalf of Lazard Fund Managers (Ireland) Limited, by Lazard Asset Management Limited, 50 Stratton Street, London W1J 8LL. Incorporated in England and Wales, registered number 525667. Lazard Asset Management Limited is authorised and regulated by the Financial Conduct Authority.

Germany and Austria: Lazard Asset Management (Deutschland) GmbH, Neue Mainzer Strasse 75, 60311 Frankfurt am Main is authorized and regulated in Germany by the BaFin. The Paying Agent in Germany is Landesbank Baden-Württemberg, Am Hauptbahnhof 2, 70173 Stuttgart, the Paying Agent in Austria is UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna.

Belgium and Luxembourg: This information is provided by the Belgian Branch of Lazard Fund Managers Ireland Limited, at Blue Tower Louise, Avenue Louise 326, Brussels, 1050 Belgium. The Paying Agent and the Representative in Belgium for the registration and the receipt of requests for issuance or repurchase of units or for switching sub-funds is Societe Generale Private Banking NV, Kortrijksesteenweg 302, 9000 Gent, Belgium.

France: Any person requiring information in relation to the Fund mentioned in this document is required to consult the KIID which is available on request from Lazard Frères Gestion SAS. The information contained in this document has not been independently verified or audited by the statutory auditors of the UCITS(s) concerned

Italy: This information is provided by the Italian branch of Lazard Asset Management (Deutschland) GmbH. Lazard Asset Management (Deutschland) GmbH Milano Office, Via Dell'Orso 2 - 20121 Milan is authorized and regulated in Germany by the BaFin. Not all share classes of the relevant sub-fund are registered for marketing in Italy and target institutional investors only. Subscriptions may only be based on the current prospectus.

Netherlands: This information is provided by the Dutch Branch of Lazard Fund Managers (Ireland) Limited, which is registered in the Dutch register held with the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten).

Spain and Portugal: This information is provided by the Spanish Branch of Lazard Fund Managers Ireland Limited, at Paseo de la Castellana 140, Piso 100, Letra E, 28046 Madrid and registered with the National Securities Market Commission (Comisión Nacional del Mercado de Valores or CNMV) under registration number 18. The [Fund Name] is a Foreign Collective Investment Scheme registered with the CNMV under registration number 18.

Andorra: For Andorran licensed financial entities only. This information is provided by the Spanish Branch of Lazard Fund Managers Ireland Limited, at Paseo de la Castellana 140, Piso 100, Letra E, 28046 Madrid and registered with the National Securities Market Commission (Comisión Nacional del Mercado de Valores or CNMV) under registration number 18. This information is approved by Lazard Asset Management Limited (LAML). LAML and the Fund are not regulated or authorised by or registered in the official registers of the Andorran regulator (AFA) and thus the Shares of the Fund may not be offered or sold in Andorra through active marketing activities. Any orders transmitted by an Andorran licensed financial entity for the acquisition of Shares of the Fund and/or any marketing materials related to the Fund are provided in response to an unsolicited approach from the investor.

Switzerland: The domicile of the Fund is Ireland and/or France, the representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Genva. Information is available from our website, the Swiss Representative or from www.fundinfo.com. The Prospectus, the Articles of Association (SICAV) or the Fund Regulations (FCP), the Key Investor Information Document (KIID) as well as the semi-annual and annual reports may be obtained free of charge at the registered office of the Swiss Representative. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. The current document is intended for information purposes only and shall not to be used as an offer to buy and/or sell shares.