

Bonds and other euro-denominated debt securities	ISIN Code	NAV €	Total net assets IC & ID (€ million)
	IC Unit FR0000027609	4 489,27	157,65
	ID Unit FR0000029860	2 297,64	

MANAGEMENT

INVESTMENT POLICY

The fund's investment objective is to outperform the following benchmark index over the recommended minimum investment horizon of one year (performance net of management fees): ICE BofAML 1-3 year Corporate (ER01) in euros, net coupons reinvested.

FUND MANAGER'S COMMENT - Benjamin Le Roux and Frédéric Penel

The start of the year was marked by renewed volatility in the riskiest asset classes over concerns about the severity and possible length of new lockdowns and other restrictive measures to combat the virus resurgence. These concerns overshadowed the first corporate quarterly earnings releases, which, on average, came out above consensus expectations. Against this backdrop, central banks reaffirmed their support for the economy without, however, increasing it.

The German government bond yield curve steepened during the month, with the 10-year yield up 5bp to -0,52%, the 5-year yield up 1bp to -0,73%, and the 2-year yield down 2bp to -0,73%.

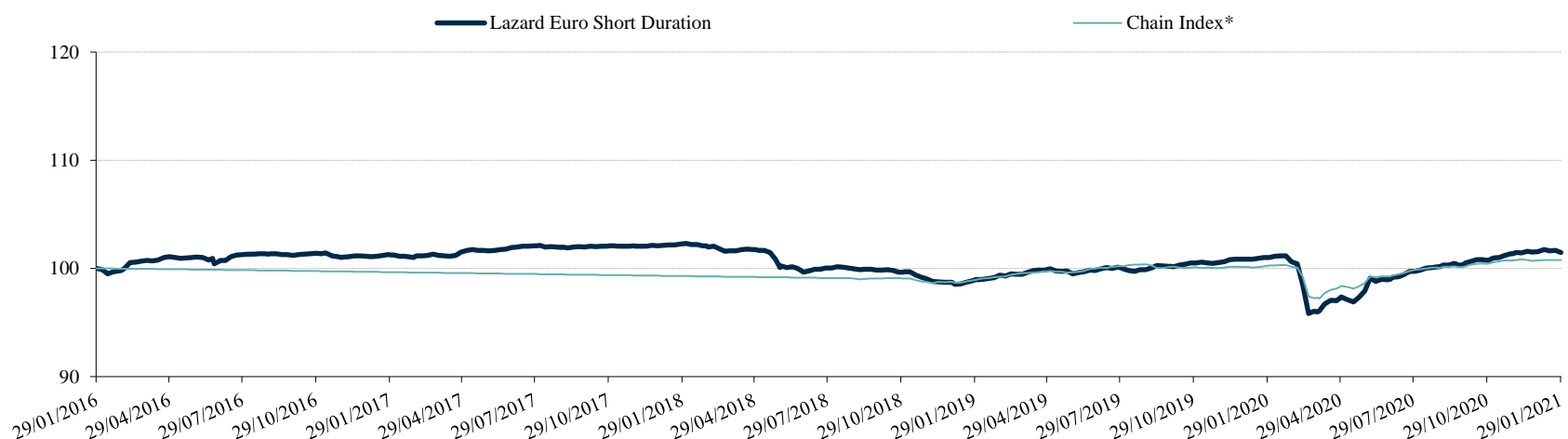
Failing a positive contribution from the interest rate effect (Bund tightening by 5bp), all bond asset classes, including sovereign bonds, fell in January with the exception of those posting the highest yields and therefore the highest carry (Corporate HY and AT1 Financial Sub). Credit spreads against government bonds tightened by 1bp for senior corporate credit to 86bp but widened by 1bp for senior financial credit to 79bp, by 6bp for subordinated financials to 157bp and by 7bp for IG corporate hybrids to 212bp (ICE BofAML indices).

The primary market started 2021 on a strong note. Despite a weakening of supply at the end of the month, corporate issuance volumes increased by 11% compared with January 2020 to €23bn. ESG formats were very popular in 2020 and continue to be attractive, with in particular Tesco's maiden issue of a Sustainability-Linked Bond (SLB), which was very well received with spectacular demand (6,4x). The hybrid segment reopened with issues by Total, Aroundtown and EDP. Financial issuance amounted to €32bn. The trend in the property sector remains positive (Icade, Covivio, Mercalys, Unibail), as well as in the automotive sector. By contrast, pandemic-related concerns (new health restrictions + vaccine availability) as well as Easyjet's release (trading update) weighed on airline spreads due to fears the recovery would once again be pushed back. Issuers in the energy sector (BP, Total, Shell, Exxon Mobil) were severely affected by S&P downgrading its view of the whole oil and gas industry to "moderately high risk" (due notably to the energy transition).

The portfolio's structure changed very marginally with a virtually unchanged sector and subordination allocation. In parallel, given the uptick in volatility observed in the second half of the month, we increased the portfolio's sensitivity to interest rate risk, which was set at +2,5 at the end of the month.

PERFORMANCE

HISTORICAL PERFORMANCE



Past performance indications is not a guarantee of current or future performance.

PERFORMANCE

Cumulative performance*	Month	YTD	1 year	3 years	5 years	Since inception
Lazard Euro Short Duration	-0,08%	-0,08%	0,48%	-0,78%	1,49%	44,73%
Chain Index **	0,02%	0,02%	0,48%	1,48%	0,77%	82,52%

Annualized performance*	1 an	3 ans	5 ans	Since inception
Lazard Euro Short Duration	0,48%	-0,26%	0,30%	2,06%
Chain Index **	0,48%	0,48%	0,15%	3,37%

** Merrill Lynch EMU Corporate until 15/04/2015, Eonia capitalised until 30/08/2018 after ICE BofAML 1-3 year Corp.

Annual performance*	2020	2019	2018	2017	2016
Lazard Euro Short Duration	0,72%	2,14%	-3,31%	0,97%	0,45%
Chain Index **	0,62%	1,37%	-0,57%	-0,36%	-0,33%

Duration	
Modified Duration	2,5
Spread Duration	1,8
Yield to maturity	0,4
Spread vs Govt.	90

* Performances, net of fees and reinvested net coupons, given for information purposes only and based on the recommended investment horizon.

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

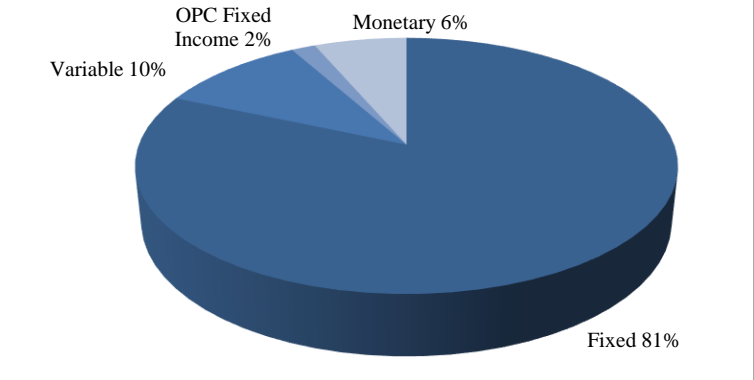
	1 an	3 ans
Volatility		
Lazard Euro Short Duration	3,95%	3,21%
Chain Index **	2,34%	1,90%
Tracking error	1,83%	1,63%
Information Ratio	0,00	-0,46
Sharpe ratio	0,24	0,05

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

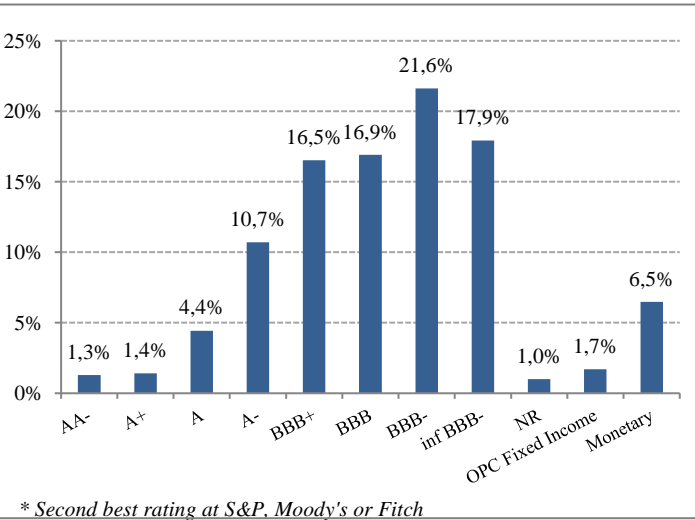
MAIN HOLDINGS

Main holdings	% Actif
Volkswagen 0,10% 06/2021	1,59%
BNP Paribas 0,54% 09/2022	1,48%
LVMH 0% 02/2024	1,40%
Société Générale 0,437% 04/2022	1,34%
Deutsche Bank 2,375% 11/2023	1,33%

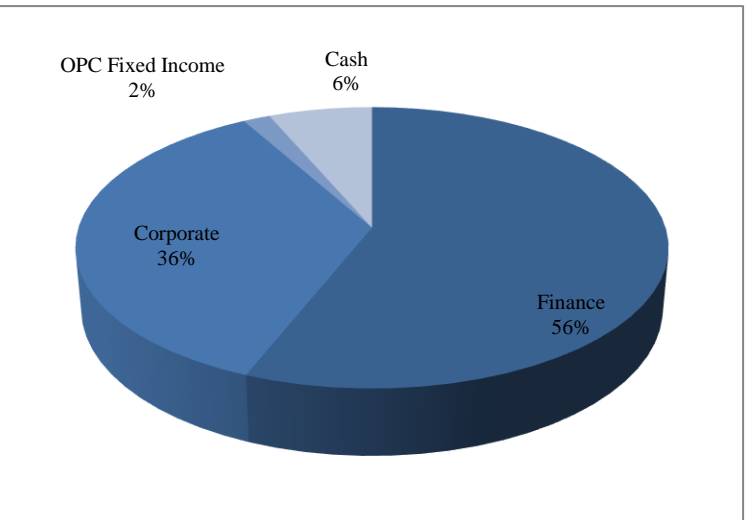
BREAKDOWN BY COUPON TYPE



BREAKDOWN RATINGS - Issues*



BREAKDOWN BY SECTOR / SEGMENT



FUND DETAILS

■ ISIN code unit IC	FR0000027609	■ Custodian	Caceis Bank	■ Management fees	0,40% TTC max de l'actif net
■ ISIN code unit ID	FR0000029860				
■ Bloomberg code	LAOBPRI/LAOBRPD FP	■ Management company	Lazard Frères Gestion SAS	■ Outperformance fees	20% of the outperformance in excess of each units' respective indexes.
■ Legal form	Sicav			■ Subscription fees	4% TTC maximum
■ UCITS - Compliant	Yes			■ Redemption fees	1% TTC maximum
■ AMF Classification	Euro Bonds			■ Subscription terms	On next NAV for orders placed before 12 am
■ Currency	Euro	■ Taxation			Settlement and value date : Souscription J (date VL) + 2 ouvrés Redemption: J + 2 business days
■ Investment horizon	Minimum 1 year	Unit IC Capitalization - Unit ID Distribution			
■ Valorisation	Daily	■ Inception Date	18/12/2002		
■ Modified Duration	from -2 to +5				
■ Total expense ratio and transaction fees					
For more information, please check our prospectus					

** 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 information :
Commercial service
01.44.13.01.79

Publication of NAVs :
www.lazardfreresgestion.fr

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