

Bonds and other euro-denominated debt securities	ISIN Code	NAV €	Total net assets IC & ID (€ million)
	IC Unit FR0000027609	4 503,48	149,90
	ID Unit FR0000029860	2 306,35	

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

Long-term interest rates diverged on either side of the Atlantic in March, with the yield spread between the T-Note and the 10-year Bund now standing at 2,0%, up 37bp over the month. This development reflects growth and inflation prospects as well as the clearly stronger vaccination momentum in the United States. The health situation is continuing to deteriorate in continental Europe, forcing governments to introduce or tighten restrictive measures and the ECB to strengthen its support for the economy, with the announcement of a significant increase in its asset purchases in the coming quarter. This news contributed to the continued tightening of spreads between Eurozone countries, with the German Bund and the Italian 10Y BTP falling by 3bp and 9bp respectively in March to -0,29% and +0,67%.

Credit presented a mixed picture over the month: the credit margin against government bonds widened slightly by 1bp for senior corporate credit to 83bp and by 2bp for senior financial credit to 79bp, while it tightened by 6bp for subordinated financials to 141bp and by 13bp for IG corporate hybrids to 194bp (ICE BofAML indices). Spread tightening occurred mainly in the second week of the month following the ECB meeting announcing an acceleration of its asset purchase programme. All sectors were in the green, especially automotive, leisure and energy, while defensive sectors (consumer goods, utilities, healthcare) performed less well.

For financial issuers, the end of the month was marked by the setbacks of the Archegos fund and the losses incurred by its prime brokers, particularly Credit Suisse which came in for a battering after issuing a statement indicating "a significant impact in Q1". CS finally reported an impact of CHF4.4bn, but this should result in a pre-tax loss of CHF900m thanks to stellar Q1 revenues. The CS share fell by 19% in the last week of the month and the AT1 by between 2% and 5%. Unsurprisingly, S&P, Fitch and Moody's placed the bank's rating on negative outlook.

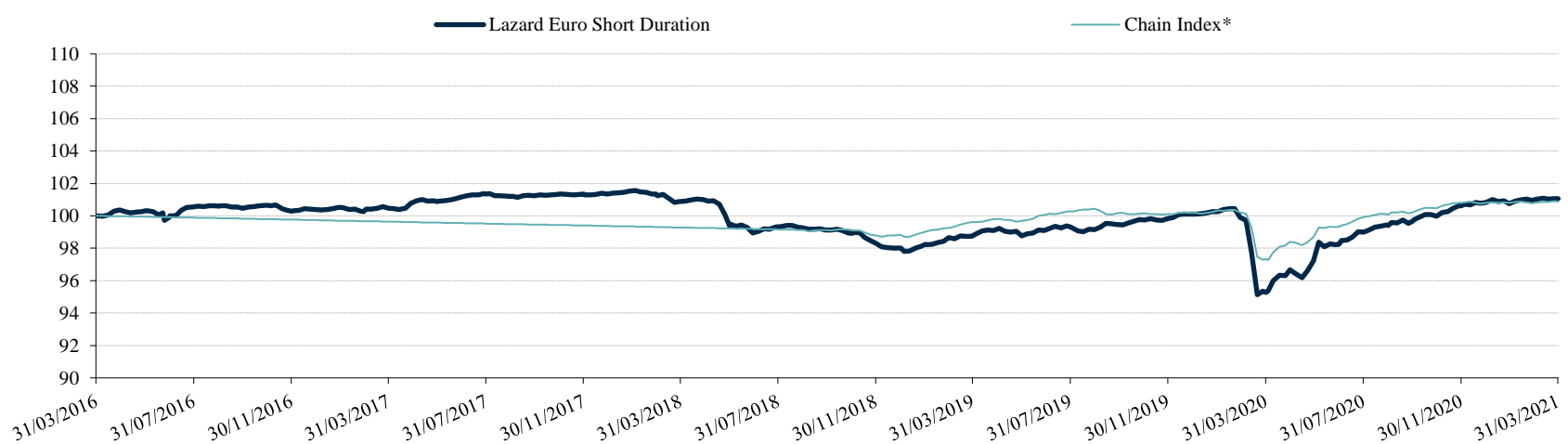
The portfolio's structure changed very marginally with a virtually unchanged sector and subordination allocation. At the same time, modified duration was actively managed in a context of increased volatility. Modified duration was lowered sharply, moving into negative territory in the middle of the month before being raised to 1,5 at the very end of the month. At the end of the month, we also set up a long position in CDS Xover protection, equivalent to 3% of assets under management.

Lazard Frères Gestion informs you that the management company has updated the provisions relating to the inclusion of environmental, social and governance (ESG) criteria in the KIIDs and prospectuses of its Funds in accordance with EU Regulation 2019/2088 on the publication of sustainability information in the financial services sector and with AMF Position-Recommendation 2020-03 on collective investments incorporating extra-financial approaches.

For further details, please consult the relevant Fund sheet on our website http://www.lazardfreresgestion.fr/FR/Fonds_71.html or contact your sales agent.

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	0,10%	0,24%	6,07%	0,20%	1,07%	45,19%
Chain Index **	0,11%	0,09%	3,63%	1,60%	0,88%	82,65%

Annualized performance*	1 an	3 ans	5 ans	Since inception
Lazard Euro Short Duration	6,07%	0,07%	0,21%	2,06%
Chain Index **	3,63%	0,52%	0,18%	3,35%

** 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	1,6
Spread Duration	2,1
Yield to maturity	0,5
Spread vs Govt.	94

* 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

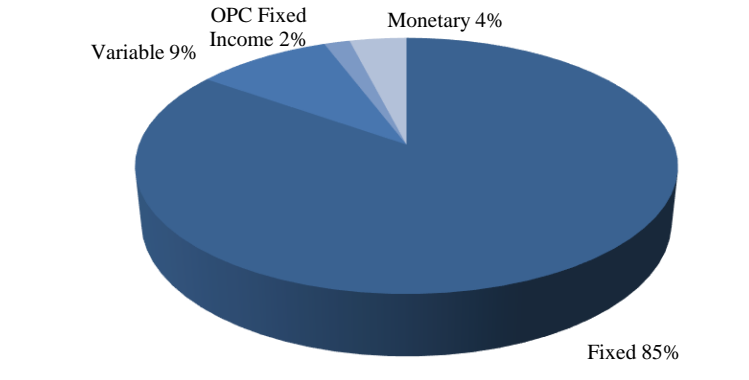
	1 an	3 ans
Volatility		
Lazard Euro Short Duration	1,73%	3,20%
Chain Index **	0,90%	1,90%
Tracking error	0,99%	1,62%
Information Ratio	2,35	-0,29
Sharpe ratio	3,68	0,15

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

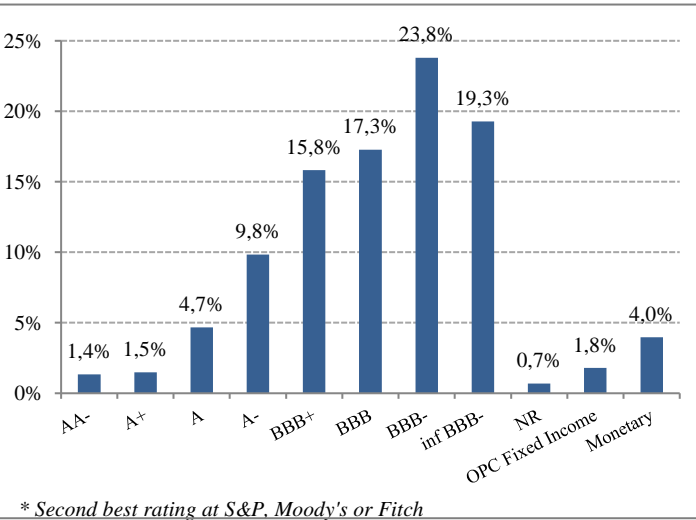
MAIN HOLDINGS

Main holdings	% Actif
Volkswagen 0,10% 06/2021	1,67%
Société Générale 1,125% 06/2031	1,59%
BNP Paribas 0,54% 09/2022	1,55%
LVMH 0% 02/2024	1,48%
Deutsche Bank 2,375% 11/2023	1,40%

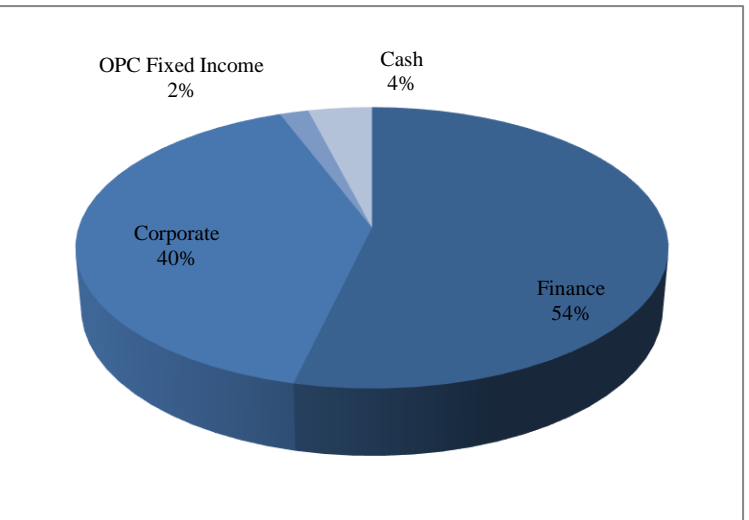
BREAKDOWN BY COUPON TYPE



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	■ Inception Date	18/12/2002		
■ Valorisation	Daily				
■ 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.

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Commercial service
01.44.13.01.79

Publication of NAVs :
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