

Bonds and other euro-denominated debt securities	ISIN Code		NAV €	Total net assets IC & ID (€ million)
	IC Unit	FR0000027609	4 400,96	136,55
	ID Unit	FR0000029860	2 321,37	MorningStar Sustainability Rating

**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**

May saw a dramatic return to risk aversion as a result of the trade war. Fuelled by disappointing data from the US and China, the fears surrounding the global cycle prompted a reduction in sovereign bond yields. The 10-year German yield fell to an historic low of -0,20%. This sentiment was reinforced by another downward revision of the European Commission's growth forecasts and by disappointing activity indicators. In Italy, the European Commission's new deficit forecasts saw another shift in the country's interest rates.

Against this background, credit spreads widened during the month. As such, the different credit segments produced negative performances, with risky assets underperforming.

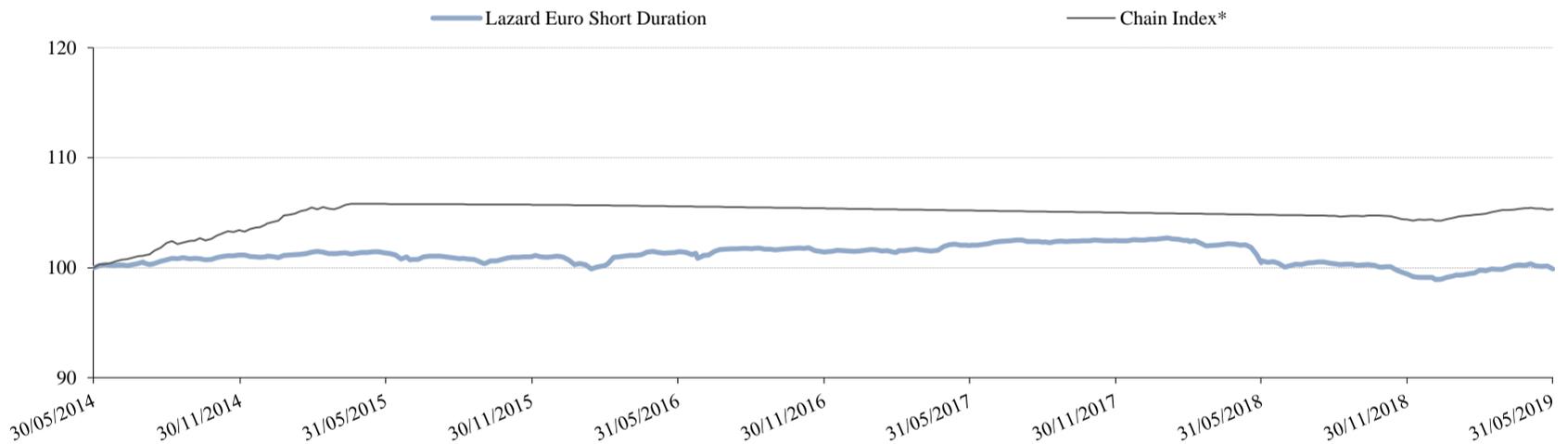
There was a great deal of activity on the primary market. In corporate debt, Carrefour, Adecco, Coca Cola, Rentokil, Philipps, Tennet, Becton Dickinson, Gecina, Telenor and Total issued senior and, in some cases, multi-tranche debt. Enel and Vodafone refinanced their hybrid debt. In the financial sector, there were no particular surprises from the earnings of banks and insurance companies. Asset quality continues to improve in all the peripheral countries. RBS received a one-notch upgrade from S&P and Banco BPM from Moody's, while Moody's also upgraded Barclays to a positive outlook.

The margin against government bonds widened by 17 bps for senior financial debt to 111 bps, by 19 bps for IG corporate debt to 125 bps and by 29 bps for subordinated financial debt to 226 bps (Merrill Lynch indices).

Exposure to credit risk has been slightly reduced to 88% of the portfolio, with 36% exposure to non-financial debt and 52% to financial debt invested in maturities up to 5 years (on the call date). Exposure to interest rate risk has fallen, with the portfolio's modified duration dropping from 0 to -1,25.

**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
<b>Lazard Euro Short Duration</b>	<b>-0,42%</b>	<b>0,78%</b>	<b>-0,58%</b>	<b>-1,55%</b>	<b>-0,12%</b>
Chain Index **	-0,11%	0,88%	0,46%	-0,26%	5,31%

Annualized performance*	1 an	3 ans	5 ans
<b>Lazard Euro Short Duration</b>	<b>-0,58%</b>	<b>-0,52%</b>	<b>-0,02%</b>
Chain Index **	0,46%	-0,09%	1,04%

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

Performances annuelles*	2018	2017	2016	2015	2014
<b>Lazard Euro Short Duration</b>	<b>-3,31%</b>	<b>0,97%</b>	<b>0,45%</b>	<b>0,08%</b>	<b>3,77%</b>
Chain Index **	-0,57%	-0,36%	-0,33%	1,74%	8,25%

Duration	
<b>Lazard Euro Short Duration</b>	-1,25

Yield to maturity
0,65

Spread vs Govt.
102

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

■ **ECHELLE DE RISQUE\*\***



\*\*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.

**RATIOS DE RISQUE**

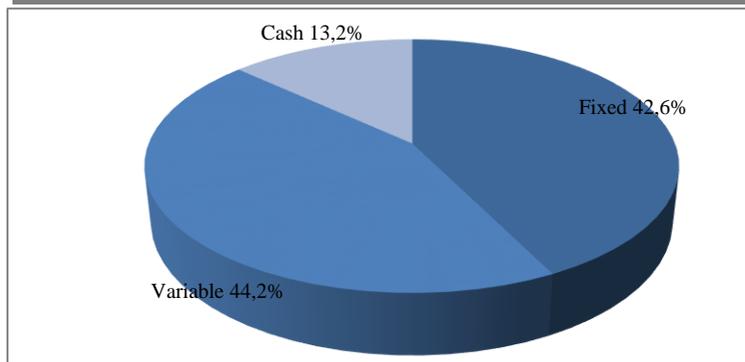
Indicateur	1 an	3 ans
<b>Volatilité</b>		
Lazard Euro Short Duration	0,94%	1,38%
Chain Index **	0,43%	0,38%
<b>Tracking error</b>	0,79%	1,29%
<b>Ratio d'information</b>	-1,33	-0,34
<b>Ratio de Sharpe</b>	-0,23	-0,11

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

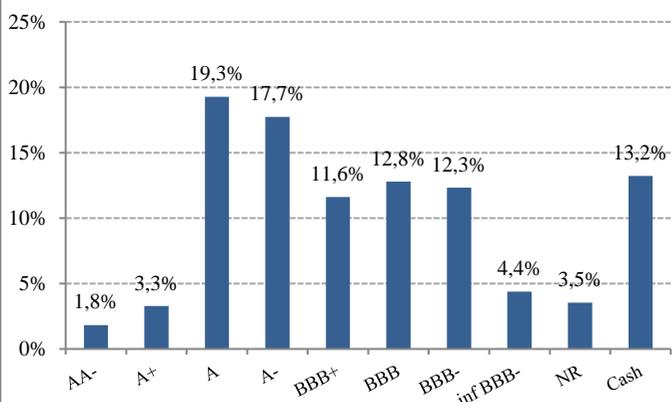
## MAIN HOLDINGS

Main holdings	% Actif
Cfcm Nord Europe 30/07/2019	2,20%
HSBC 27/09/2022	1,84%
Volkswagen 15/06/2021	1,83%
Deutsche Bank Ag 07/12/2020	1,81%
BNP Paribas 0,54 09/2022	1,70%

## BREAKDOWN BY COUPON TYPE

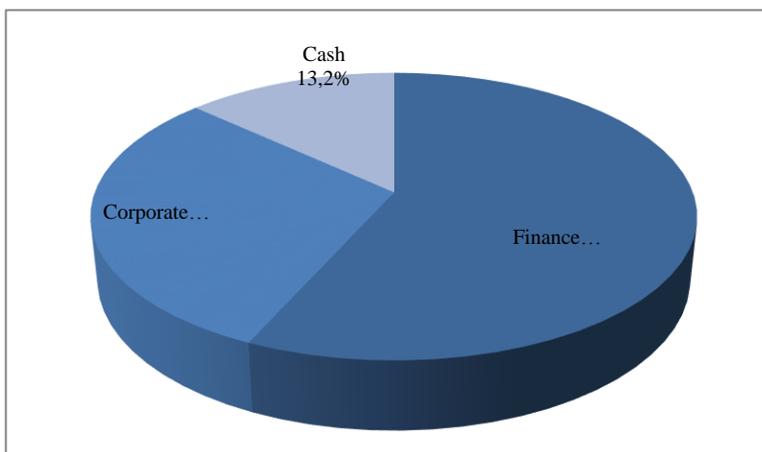


## BREAKDOWN RATINGS - Issues\*



\* Second best rating at S&P, Moody's or Fitch

## 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	■ Management company	Lazard Frères Gestion SAS	■ Outperformance fees	20% of the outperformance in excess of each units' respective indexes.
■ Bloomberg code	LAOBPRI/LAOBRPD FP	■ Taxation	Unit IC Capitalization - Unit ID Distribution	■ Subscription fees	4% TTC maximum
■ Legal form	Sicav	■ Inception Date	18/12/2002	■ Redemption fees	1% TTC maximum
■ UCITS - Compliant	Yes	■ Subscription terms	On next NAV for orders placed before 12 am		
■ AMF Classification	Euro Bonds				Settlement and value date : Souscription J (date VL) + 2 ouvrés Redemption: J + 2 business days
■ Currency	Euro				
■ Investment horizon	Minimum 1 year				
■ 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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**Publication of NAVs :**  
[www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

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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.