

| Bonds and other euro-denominated debt securities | ISIN Code            | NAV €    | Total net assets IC & ID (€ million) |
|--|----------------------|----------|--------------------------------------|
|  | IC Unit FR0000027609 | 4 455,11 | 157,88                               |
|  | ID Unit FR0000029860 | 2 313,36 |                                      |

## 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

October was marked by the deterioration of health indicators and the resulting tightening of restrictive measures. Added to this are the uncertainties surrounding Brexit and the negotiations on fiscal stimulus in the United States. The ECB confirmed further monetary easing for the next meeting in December. In the United States, the very sharp rebound in growth in the third quarter contributed to a rise in US long-term rates. Renewed risk aversion has led to a decline in 10-year sovereign yields in Europe. The German government bond yield curve flattened during the month, with the 10-year yield down 10bp to -0,63%, the 5-year yield down 11bp to -0,82%, and the 2-year yield down 9bp to -0,79%.

In a context of high volatility, credit held up well but fluctuated in contrasting ways. The margin against government bonds tightened by 7bp for senior financial credit to 104 but widened for senior corporate credit to 101, by 8bp for subordinated financials to 208 and by 12bp for IG corporate hybrids to 253 (ICE BofAML indices).

The primary market remained active but with volumes down compared with October 2019, with €22bn issued for corporates and €18bn for financials. The hybrid segment maintained the momentum observed since the beginning of the second half, notably with the double tranche of Eni (inaugural issue) as well as that of Veolia.

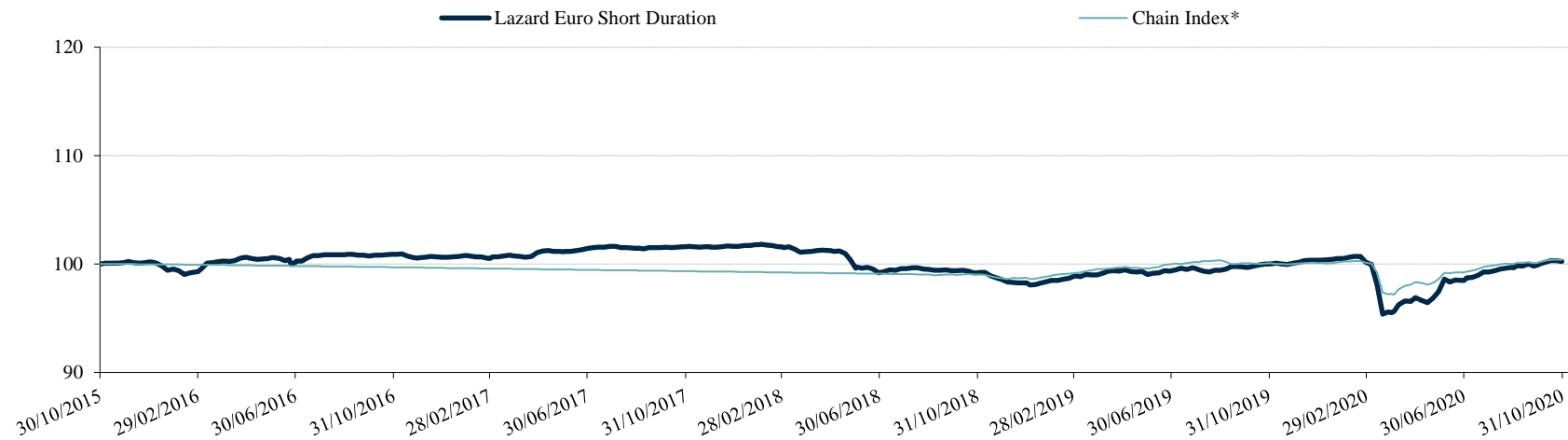
The Q3 earnings releases kicked off with fairly good results overall. On the financial side, the M&A theme continues to drive the market, with rumours in Italy of a merger between Banco BPM and Crédit Agricole as well as between UniCredit and Monte dei Paschi (with probably a capital increase of up to €2,5bn). In Spain, discussions on a merger between Liberbank and Unicaja are continuing, while rumours of a merger between BBVA, Kuxtabank and Sabadell have emerged.

Over the month, all corporate IG sectors were in the black, with an outperformance by transport (ADP), telecoms (Deutsche Telekom, SES), automotive (Daimler, RCI) and property companies (Icade).

In retail, Auchan outperformed after the announcement of the sale of its activities in China and a possible liability management deal despite a lukewarm comment from S&P, which gave itself several weeks to announce its decision on Auchan's rating (BBB-, negative outlook).

## 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 | 0,32% | -0,12% | 0,23%  | -1,33%  | 0,24%   | 43,63%          |
| Chain Index **             | 0,27% | 0,30%  | 0,32%  | 1,04%   | 0,38%   | 81,90%          |

| Annualized performance*    | 1 an  | 3 ans  | 5 ans | Since inception |
|----------------------------|-------|--------|-------|-----------------|
| Lazard Euro Short Duration | 0,23% | -0,45% | 0,05% | 2,05%           |
| Chain Index **             | 0,32% | 0,34%  | 0,08% | 3,40%           |

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

| Annual performance*        | 2019  | 2018   | 2017   | 2016   | 2014  |
|----------------------------|-------|--------|--------|--------|-------|
| Lazard Euro Short Duration | 2,14% | -3,31% | 0,97%  | 0,45%  | 0,08% |
| Chain Index **             | 1,37% | -0,57% | -0,36% | -0,33% | 1,74% |

| Duration          |     |
|-------------------|-----|
| Modified Duration | 1,9 |
| Spread Duration   | 1,9 |
| Yield to maturity | 0,8 |
| Spread vs Govt.   | 131 |

\* 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

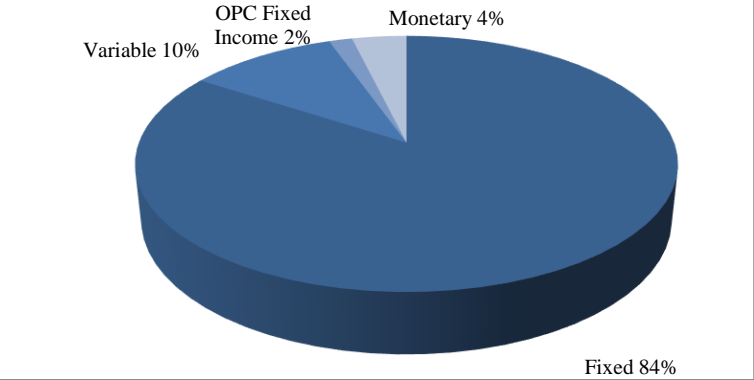
|                            | 1 an  | 3 ans |
|----------------------------|-------|-------|
| <b>Volatility</b>          |       |       |
| Lazard Euro Short Duration | 3,93% | 3,18% |
| Chain Index **             | 2,34% | 1,89% |
| <b>Tracking error</b>      | 1,80% | 1,61% |
| <b>Information Ratio</b>   | -0,05 | -0,49 |
| <b>Sharpe ratio</b>        | 0,18  | -0,01 |

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

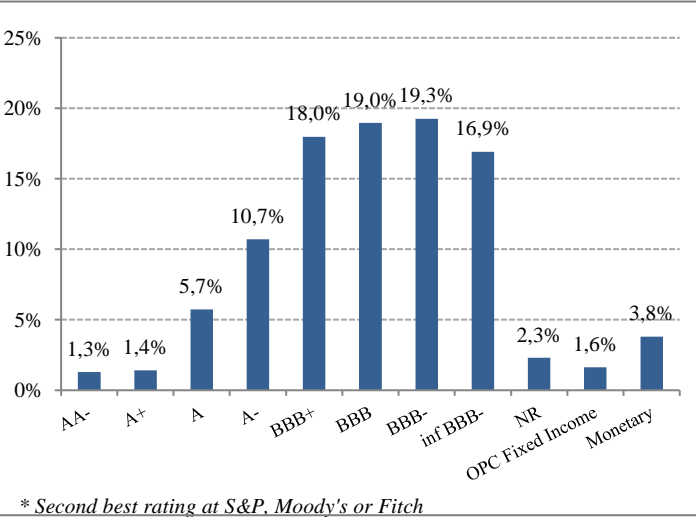
MAIN HOLDINGS

| Main holdings                | % Actif |
|------------------------------|---------|
| HSBC 0,39% 09/2022           | 1,59%   |
| Volkswagen 0,10% 06/2021     | 1,58%   |
| BNP Paribas 0,54% 09/2022    | 1,48%   |
| LVMH 0% 02/2024              | 1,40%   |
| Deutsche Bank 2,375% 11/2023 | 1,34%   |

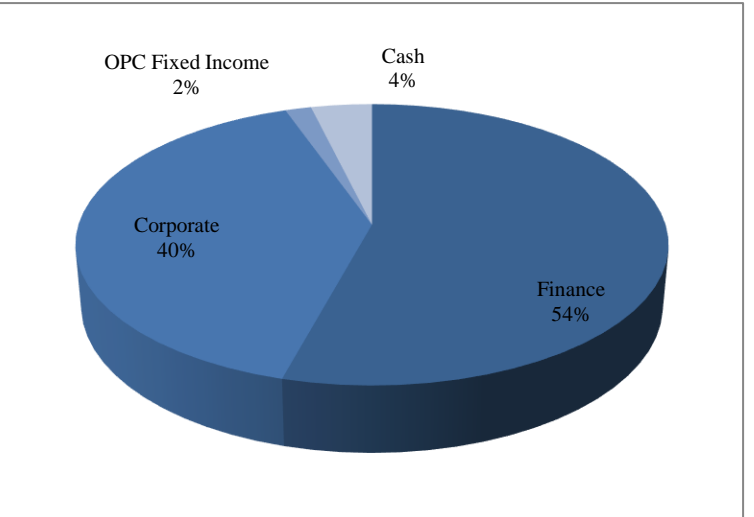
BREAKDOWN BY COUPON TYPE



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 :  |
| ■ Investment horizon                       | Minimum 1 year     | Unit IC Capitalization - Unit ID Distribution |                           |                       | Souscription J (date VL) + 2 ouvrés                                    |
| ■ Valorisation                             | Daily              | ■ Inception Date                              | 18/12/2002                |                       | Redemption: J + 2 business days  |
| ■ 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 :  
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